



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021
OF THE CONDITION AND AFFAIRS OF THE

Blue Care Network of Michigan

NAIC Group Code05720572NAIC Company Code95610Employer's ID Number38-2359234
(Current)(Prior)

Organized under the Laws ofMichigan, State of Domicile or Port of EntryMI

Country of DomicileUnited States of America

Licensed as business type:Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized05/06/1981Commenced Business05/13/1981

Statutory Home Office20500 Civic Center DriveSouthfield, MI, US 48076
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office20500 Civic Center DriveSouthfield, MI, US 48076248-799-6400
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address20500 Civic Center Drive MC C455Southfield, MI, US 48076
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records20500 Civic Center DriveSouthfield, MI, US 48076313-225-9095
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.BCBSM.com

Statutory Statement ContactKenneth A. Bluhm313-225-9095
(Name)(Area Code) (Telephone Number)
kbluhm@bcbsm.com800-556-4348
(E-mail Address)(FAX Number)

OFFICERS

President & Chief Executive OfficerKathryn Galardi LevineTreasurerWaymond Eli Harris #

SecretarySheela Rao Manyam

OTHER

DIRECTORS OR TRUSTEES

Julie Anne Angott	William Harrison Black	David Bing
Kenneth Ray Dallafor	Sarah Winston Doyle	Valeria Ann Holmon DNP, FNP-BC
Robert Paul Kelch MD	Melvin Lyle Larsen	Kathryn Galardi Levine
Paula Jean Manderfield RN, JD	Paul Lawrence Mozak #	Richard Earl Posthumus
Gregory Alan Sudderth	Mary Ann Weaver	Bruce Alan Wolf D.O.

State ofMichiganSS

County ofOakland

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kathryn Galardi LevineWaymond Eli HarrisSheela Rao Manyam
President & Chief Executive OfficerTreasurerSecretary

Subscribed and sworn to before me this day of

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,500,685,060		1,500,685,060	1,695,862,052
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	528,384
2.2 Common stocks	165,078,691		165,078,691	272,659,087
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$76,427,017 , Schedule E - Part 1), cash equivalents (\$86,586,486 , Schedule E - Part 2) and short-term investments (\$439,396,618 , Schedule DA)	602,410,121		602,410,121	567,636,716
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	230,623,621		230,623,621	112,731,917
9. Receivables for securities	115,523		115,523	0
10. Securities lending reinvested collateral assets (Schedule DL)	8,856,754		8,856,754	4,713,555
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,507,769,770	0	2,507,769,770	2,654,131,711
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	15,089,670		15,089,670	13,827,972
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,988,196	115,734	2,872,462	16,281,448
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$37,034,519) and contracts subject to redetermination (\$)	37,034,519		37,034,519	34,569,032
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	47,779,807		47,779,807	45,765,063
18.1 Current federal and foreign income tax recoverable and interest thereon	139,147		139,147	190,204
18.2 Net deferred tax asset	0		0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	53,294	53,294	0	0
21. Furniture and equipment, including health care delivery assets (\$)	6,734,678	6,734,678	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	66,260,911		66,260,911	16,845,274
24. Health care (\$107,957,119) and other amounts receivable	135,866,909	27,909,790	107,957,119	89,927,174
25. Aggregate write-ins for other than invested assets	7,003,578	0	7,003,578	756,468
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,826,720,479	34,813,496	2,791,906,983	2,872,294,346
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,826,720,479	34,813,496	2,791,906,983	2,872,294,346
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Modified reinsurance experience adjustment	7,003,578		7,003,578	756,468
2502.			0	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	7,003,578	0	7,003,578	756,468

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	404,148,498	14,183,421	418,331,919	398,069,314
2. Accrued medical incentive pool and bonus amounts	82,344,213		82,344,213	105,473,494
3. Unpaid claims adjustment expenses	16,847,428		16,847,428	9,722,430
4. Aggregate health policy reserves, including the liability of \$9,168,094 for medical loss ratio rebate per the Public Health Service Act	100,323,091		100,323,091	113,140,472
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	109,560,344		109,560,344	101,823,315
9. General expenses due or accrued	50,133,486		50,133,486	31,226,347
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	26,657,185		26,657,185	0
12. Amounts withheld or retained for the account of others	1,186,418		1,186,418	1,089,095
13. Remittances and items not allocated	2,813		2,813	5,930
14. Borrowed money (including \$ current) and interest thereon \$44,625 (including \$44,625 current)	50,044,625		50,044,625	50,044,625
15. Amounts due to parent, subsidiaries and affiliates	77,970,618		77,970,618	89,796,233
16. Derivatives			0	0
17. Payable for securities	22,325,471		22,325,471	8,897,585
18. Payable for securities lending	8,856,754		8,856,754	4,713,555
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	28,541,485		28,541,485	42,756,530
23. Aggregate write-ins for other liabilities (including \$ current)	7,401,408	0	7,401,408	7,017,740
24. Total liabilities (Lines 1 to 23)	986,343,837	14,183,421	1,000,527,258	963,776,665
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	10,000	10,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	15,703,045	15,703,045
29. Surplus notes	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	1,775,666,680	1,892,804,636
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,791,379,725	1,908,517,681
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,791,906,983	2,872,294,346
DETAILS OF WRITE-INS				
2301. Escheats	7,401,408		7,401,408	5,333,467
2302. Premium Refunds			0	1,684,273
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	7,401,408	0	7,401,408	7,017,740
2501.	XXX	XXX		0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	8,092,569	8,663,457
2. Net premium income (including \$ non-health premium income)	XXX.....	3,911,401,546	4,097,146,131
3. Change in unearned premium reserves and reserve for rate credits	XXX.....	12,403,026	(2,695,873)
4. Fee-for-service (net of \$ medical expenses)	XXX.....	0	
5. Risk revenue	XXX.....	0	
6. Aggregate write-ins for other health care related revenues	XXX.....	19,999	31,433
7. Aggregate write-ins for other non-health revenues	XXX.....	0	0
8. Total revenues (Lines 2 to 7)	XXX.....	3,923,824,571	4,094,481,691
Hospital and Medical:			
9. Hospital/medical benefits	43,127,341	2,565,715,301	2,347,511,559
10. Other professional services	2,950,937	202,827,176	171,062,442
11. Outside referrals	90,299,340	90,299,340	77,181,629
12. Emergency room and out-of-area	5,132,536	227,745,561	206,371,555
13. Prescription drugs		442,825,204	511,469,743
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		65,207,899	90,660,430
16. Subtotal (Lines 9 to 15)	141,510,154	3,594,620,481	3,404,257,358
Less:			
17. Net reinsurance recoveries		(61,244)	(12,504)
18. Total hospital and medical (Lines 16 minus 17)	141,510,154	3,594,681,725	3,404,269,862
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$74,709,255 cost containment expenses		148,161,884	160,422,951
21. General administrative expenses		408,880,292	481,755,761
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(7,594,854)	4,258,801
23. Total underwriting deductions (Lines 18 through 22)	141,510,154	4,144,129,047	4,050,707,375
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX.....	(220,304,476)	43,774,316
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		48,303,981	51,318,758
26. Net realized capital gains (losses) less capital gains tax of \$		73,947,425	37,563,534
27. Net investment gains (losses) (Lines 25 plus 26)	0	122,251,406	88,882,292
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX.....	(98,053,070)	132,656,607
31. Federal and foreign income taxes incurred	XXX.....	42,007	301,832
32. Net income (loss) (Lines 30 minus 31)	XXX.....	(98,095,077)	132,354,775
DETAILS OF WRITE-INS			
0601. Other Revenue	XXX.....	19,999	31,433
0602.	XXX.....		
0603.	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX.....	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX.....	19,999	31,433
0701.	XXX.....		
0702.	XXX.....		
0703.	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX.....	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX.....	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	1,908,517,681	1,728,923,443
34. Net income or (loss) from Line 32	(98,095,077)	132,354,775
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	(10,718,927)	47,388,505
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		(371,067)
39. Change in nonadmitted assets	(8,323,953)	222,025
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(117,137,957)	179,594,238
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,791,379,725	1,908,517,681
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	3,964,490,049	4,098,222,317
2. Net investment income	65,636,585	62,289,392
3. Miscellaneous income	19,999	31,433
4. Total (Lines 1 through 3)	4,030,146,633	4,160,543,142
5. Benefit and loss related payments	3,628,721,170	3,413,837,465
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	547,239,828	643,883,831
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(9,050)	255,327
10. Total (Lines 5 through 9)	4,175,951,948	4,057,976,623
11. Net cash from operations (Line 4 minus Line 10)	(145,805,315)	102,566,518
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,403,688,604	1,855,664,752
12.2 Stocks	363,155,000	84,364,172
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	10,970,634	25,361,067
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(905,490)	(1,512,590)
12.7 Miscellaneous proceeds	13,427,886	4,783,626
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,790,336,635	1,968,661,027
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,223,781,788	2,012,730,450
13.2 Stocks	217,392,663	101,448,311
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	105,706,033	31,846,147
13.6 Miscellaneous applications	4,258,722	289,547
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,551,139,206	2,146,314,455
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	239,197,428	(177,653,428)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(58,618,709)	47,355,191
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(58,618,709)	47,355,191
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	34,773,405	(27,731,718)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	567,636,716	595,368,434
19.2 End of year (Line 18 plus Line 19.1)	602,410,120	567,636,716

Note: Supplemental disclosures of cash flow information for non-cash transactions:

--	--	--

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	3,911,401,546	2,693,633,631	29,954,216			113,818,288	1,073,995,411			
2. Change in unearned premium reserves and reserve for rate credit	12,403,026	12,403,040	(14)							
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	19,999	19,999	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	3,923,824,571	2,706,056,670	29,954,202	0	0	113,818,288	1,073,995,411	0	0	0
8. Hospital/medical benefits	2,565,715,301	1,658,539,919	16,694,964			71,003,041	819,477,377			XXX
9. Other professional services	202,827,176	140,454,899	766,799			1,470,123	60,135,355			XXX
10. Outside referrals	90,299,340	59,895,253	877,440			2,583,167	26,943,480			XXX
11. Emergency room and out-of-area	227,745,561	168,168,677	1,012,485			7,747,016	50,817,383			XXX
12. Prescription drugs	442,825,204	366,748,529				17,954,004	58,122,671			XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	65,207,899	44,144,248				1,220,978	19,842,673			XXX
15. Subtotal (Lines 8 to 14)	3,594,620,481	2,437,951,525	19,351,688	0	0	101,978,329	1,035,338,939	0	0	XXX
16. Net reinsurance recoveries	(61,244)	(61,244)								XXX
17. Total medical and hospital (Lines 15 minus 16)	3,594,681,725	2,438,012,769	19,351,688	0	0	101,978,329	1,035,338,939	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$74,709,255 cost containment expenses	148,161,884	93,913,453	958,474			2,089,630	51,200,327			
20. General administrative expenses	408,880,292	326,855,221	2,117,231			3,999,555	75,908,285			
21. Increase in reserves for accident and health contracts	(7,594,854)	3,425,834					(11,020,688)			XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	4,144,129,047	2,862,207,277	22,427,393	0	0	108,067,514	1,151,426,863	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(220,304,476)	(156,150,607)	7,526,809	0	0	5,750,774	(77,431,452)	0	0	0
DETAILS OF WRITE-INS	19,999	19,999								XXX
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	19,999	19,999	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	2,730,969,713		37,336,082	2,693,633,631
2. Medicare Supplement	29,954,216			29,954,216
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	113,818,288			113,818,288
6. Title XVIII - Medicare	1,078,122,877		4,127,466	1,073,995,411
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	3,952,865,094	0	41,463,548	3,911,401,546
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	3,952,865,094	0	41,463,548	3,911,401,546

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	3,540,368,119	2,417,449,789	19,011,819			97,045,646	1,006,860,865			
1.2 Reinsurance assumed	0	0								
1.3 Reinsurance ceded	(15,871)	(15,871)								
1.4 Net	3,540,383,990	2,417,465,660	19,011,819	0	0	97,045,646	1,006,860,865	0	0	0
2. Paid medical incentive pools and bonuses	88,337,180	72,027,145				2,194,601	14,115,434			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	418,331,919	292,286,422	2,413,497	0	0	11,720,720	111,911,280	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	418,331,919	292,286,422	2,413,497	0	0	11,720,720	111,911,280	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	82,344,213	47,235,383				2,438,233	32,670,597			
6. Net healthcare receivables (a)	31,172,769	26,015,221					5,157,548			
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	398,114,687	289,913,713	2,073,628	0	0	8,009,015	98,118,331	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	45,373	45,373	0	0	0	0	0	0	0	0
8.4 Net	398,069,314	289,868,340	2,073,628	0	0	8,009,015	98,118,331	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	105,473,494	75,118,280				3,411,856	26,943,358			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	3,529,412,582	2,393,807,277	19,351,688	0	0	100,757,351	1,015,496,266	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	(61,244)	(61,244)	0	0	0	0	0	0	0	0
12.4 Net	3,529,473,826	2,393,868,521	19,351,688	0	0	100,757,351	1,015,496,266	0	0	0
13. Incurred medical incentive pools and bonuses	65,207,899	44,144,248	0	0	0	1,220,978	19,842,673	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	126,929,617	90,582,486	747,967			3,632,368	31,966,796			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	126,929,617	90,582,486	747,967	0	0	3,632,368	31,966,796	0	0	0
2. Incurred but Unreported:										
2.1 Direct	283,108,511	193,410,145	1,665,530			8,088,352	79,944,484			
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	283,108,511	193,410,145	1,665,530	0	0	8,088,352	79,944,484	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	8,293,791	8,293,791								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	8,293,791	8,293,791	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	418,331,919	292,286,422	2,413,497	0	0	11,720,720	111,911,280	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	418,331,919	292,286,422	2,413,497	0	0	11,720,720	111,911,280	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	295,260,498	2,122,205,162	2,048,115	290,238,307	297,308,613	289,868,340
2. Medicare Supplement	1,890,809	17,121,010	5,750	2,407,747	1,896,559	2,073,628
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	9,255,665	87,789,980	86,810	11,633,910	9,342,475	8,009,015
6. Title XVIII - Medicare	91,421,122	915,439,743	1,848,187	110,063,093	93,269,309	98,118,331
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	397,828,094	3,142,555,895	3,988,862	414,343,057	401,816,956	398,069,314
10. Healthcare receivables (a)	2,992,112	132,874,797			2,992,112	104,694,141
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	87,750,184	586,996	16,998,158	65,346,055	104,748,342	105,473,494
13. Totals (Lines 9 - 10 + 11 + 12)	482,586,166	3,010,268,094	20,987,020	479,689,112	503,573,186	398,848,667

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	263,937	265,599	265,927	265,923	265,898
2.	2017	1,765,911	2,021,067	2,022,526	2,022,721	2,022,749
3.	2018	XXX	2,082,873	2,408,232	2,411,458	2,411,464
4.	2019	XXX	XXX	2,223,147	2,545,858	2,548,491
5.	2020	XXX	XXX	XXX	2,071,254	2,435,327
6.	2021	XXX	XXX	XXX	XXX	2,122,778

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	270,136	265,599	265,927	265,923	265,898
2.	2017	2,038,627	2,023,617	2,022,526	2,022,721	2,022,750
3.	2018	XXX	2,435,763	2,412,310	2,411,458	2,411,464
4.	2019	XXX	XXX	2,575,064	2,549,959	2,548,491
5.	2020	XXX	XXX	XXX	2,432,139	2,438,750
6.	2021	XXX	XXX	XXX	XXX	2,458,876

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017	2,522,839	2,022,749	106,407	5.3	2,129,156	84.4	1		2,129,157	84.4
2.	2018	3,078,672	2,411,464	127,480	5.3	2,538,944	82.5			2,538,944	82.5
3.	2019	3,030,150	2,548,491	117,701	4.6	2,666,192	88.0			2,666,192	88.0
4.	2020	2,941,195	2,435,327	117,253	4.8	2,552,580	86.8	3,422	1,210	2,557,212	86.9
5.	2021	2,706,037	2,122,778	84,054	4.0	2,206,832	81.6	336,099	10,561	2,553,492	94.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	2,690	2,718	2,716	2,715	2,714
2.	2017	21,416	24,285	24,282	24,281	24,279
3.	2018	XXX	21,560	23,821	23,828	23,826
4.	2019	XXX	XXX	21,014	23,226	23,221
5.	2020	XXX	XXX	XXX	18,832	20,732
6.	2021	XXX	XXX	XXX	XXX	17,121

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	2,706	2,718	2,716	2,715	2,714
2.	2017	24,182	24,289	24,282	24,281	24,279
3.	2018	XXX	23,884	23,823	23,828	23,826
4.	2019	XXX	XXX	23,291	23,228	23,221
5.	2020	XXX	XXX	XXX	20,904	20,737
6.	2021	XXX	XXX	XXX	XXX	19,529

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017	34,894	24,279	1,444	5.9	25,723	73.7			25,723	73.7
2. 2018	34,904	23,826	1,781	7.5	25,607	73.4			25,607	73.4
3. 2019	33,698	23,221	1,711	7.4	24,932	74.0			24,932	74.0
4. 2020	31,124	20,732	1,467	7.1	22,199	71.3	6	10	22,215	71.4
5. 2021	29,954	17,121	671	3.9	17,792	59.4	2,408	87	20,287	67.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	12,262	12,408	12,415	12,417	12,417
2.	2017	90,519	99,236	99,360	99,363	99,363
3.	2018	XXX	94,615	104,121	104,265	104,264
4.	2019	XXX	XXX	95,168	105,543	105,588
5.	2020	XXX	XXX	XXX	93,648	105,040
6.	2021	XXX	XXX	XXX	XXX	87,805

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	12,507	12,408	12,415	12,417	12,417
2.	2017	100,007	99,332	99,360	99,363	99,363
3.	2018	XXX	105,431	104,272	104,265	104,264
4.	2019	XXX	XXX	105,499	105,700	105,588
5.	2020	XXX	XXX	XXX	104,912	105,198
6.	2021	XXX	XXX	XXX	XXX	101,806

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2017	110,312	99,363	4,810	4.8	104,173	94.4			104,173	94.4
2. 2018	116,577	104,264	5,187	5.0	109,451	93.9			109,451	93.9
3. 2019	110,183	105,588	4,557	4.3	110,145	100.0			110,145	100.0
4. 2020	112,648	105,040	4,653	4.4	109,693	97.4	158	49	109,900	97.6
5. 2021	113,818	87,805	3,120	3.6	90,925	79.9	14,001	423	105,349	92.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	102,773	102,864	102,812	102,805	102,769
2.	2017	705,896	801,309	801,343	801,265	801,234
3.	2018	XXX	786,173	904,924	903,927	904,079
4.	2019	XXX	XXX	818,564	933,749	932,298
5.	2020	XXX	XXX	XXX	777,131	884,033
6.	2021	XXX	XXX	XXX	XXX	915,440

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	104,890	102,864	102,812	102,805	102,769
2.	2017	813,741	805,398	801,343	801,265	801,234
3.	2018	XXX	902,114	905,164	903,927	904,079
4.	2019	XXX	XXX	943,435	934,052	932,298
5.	2020	XXX	XXX	XXX	901,890	901,433
6.	2021	XXX	XXX	XXX	XXX	1,042,621

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017	912,247	801,234	28,526	3.6	829,760	91.0			829,760	91.0
2. 2018	1,008,986	904,079	40,164	4.4	944,243	93.6			944,243	93.6
3. 2019	1,078,315	932,298	33,576	3.6	965,874	89.6			965,874	89.6
4. 2020	1,009,483	884,033	35,758	4.0	919,791	91.1	17,400	480	937,671	92.9
5. 2021	1,073,995	915,440	34,761	3.8	950,201	88.5	127,181	4,027	1,081,409	100.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred						Cumulative Net Amounts Paid				
						1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	.....	.....	.....	.....	.....381,662	.....383,589	.....383,870	.....383,860	.....383,798
2.	2017	.....	.....	.....	.....	.....2,583,742	.....2,945,897	.....2,947,511	.....2,947,630	.....2,947,625
3.	2018	.....	.....	.....	.....	.....XXX	.....2,985,221	.....3,441,098	.....3,443,478	.....3,443,633
4.	2019	.....	.....	.....	.....	.....XXX	.....XXX	.....3,157,893	.....3,608,376	.....3,609,598
5.	2020	.....	.....	.....	.....	.....XXX	.....XXX	.....XXX	.....2,960,865	.....3,445,132
6.	2021	.....	.....	.....	.....	.....XXX	.....XXX	.....XXX	.....XXX	.....3,143,144

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred						Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
						1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	.....	.....	.....	.....	.....390,239	.....383,589	.....383,870	.....383,860	.....383,798
2.	2017	.....	.....	.....	.....	.....2,976,557	.....2,952,636	.....2,947,511	.....2,947,630	.....2,947,626
3.	2018	.....	.....	.....	.....	.....XXX	.....3,467,192	.....3,445,569	.....3,443,478	.....3,443,633
4.	2019	.....	.....	.....	.....	.....XXX	.....XXX	.....3,647,289	.....3,612,939	.....3,609,598
5.	2020	.....	.....	.....	.....	.....XXX	.....XXX	.....XXX	.....3,459,845	.....3,466,118
6.	2021	.....	.....	.....	.....	.....XXX	.....XXX	.....XXX	.....XXX	.....3,622,832

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017	.....3,580,292	.....2,947,625	.....141,187	.....4.8	.....3,088,812	.....86.3	.....1	.....0	.....3,088,813	.....86.3
2.	2018	.....4,239,139	.....3,443,633	.....174,612	.....5.1	.....3,618,245	.....85.4	.....0	.....0	.....3,618,245	.....85.4
3.	2019	.....4,252,346	.....3,609,598	.....157,545	.....4.4	.....3,767,143	.....88.6	.....0	.....0	.....3,767,143	.....88.6
4.	2020	.....4,094,450	.....3,445,132	.....159,130	.....4.6	.....3,604,262	.....88.0	.....20,986	.....1,749	.....3,626,997	.....88.6
5.	2021	.....3,923,804	.....3,143,144	.....122,606	.....3.9	.....3,265,750	.....83.2	.....479,689	.....15,098	.....3,760,537	.....95.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	923,951	923,380	365				206		
2. Additional policy reserves (a)	32,163,947	3,425,834					28,738,113		
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	9,168,094	9,168,094							
5. Aggregate write-ins for other policy reserves	58,067,099	58,067,099	0	0	0	0	0	0	0
6. Totals (gross)	100,323,091	71,584,407	365	0	0	0	28,738,319	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	100,323,091	71,584,407	365	0	0	0	28,738,319	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ACA Risk Adjustment	58,067,099	58,067,099							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	58,067,099	58,067,099	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$32,163,947 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ for occupancy of own building)	969,670	933,871	3,581,202	24,494	5,509,237
2. Salary, wages and other benefits	39,292,511	37,841,893	145,150,164	958,179	223,242,747
3. Commissions (less \$ ceded plus \$ assumed)			91,098,965		91,098,965
4. Legal fees and expenses	539,685	519,761	1,993,176	13,633	3,066,255
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	4,877,959	4,697,872	18,015,366	123,218	27,714,415
7. Traveling expenses	254,179	244,795	938,739	6,421	1,444,134
8. Marketing and advertising	1,776,631	1,711,041	6,561,486	44,878	10,094,036
9. Postage, express and telephone	1,415,692	1,363,427	5,228,459	35,761	8,043,339
10. Printing and office supplies	398,067	383,371	1,470,149	10,055	2,261,642
11. Occupancy, depreciation and amortization	874,817	842,520	3,230,889	22,098	4,970,324
12. Equipment					0
13. Cost or depreciation of EDP equipment and software	8,868,082	8,540,686	32,751,759	224,009	50,384,536
14. Outsourced services including EDP, claims, and other services	20,222,765	20,977,695	81,059,764	542,756	122,802,980
15. Boards, bureaus and association fees	773,302	744,753	2,140,164	19,534	3,677,753
16. Insurance, except on real estate	309,522	298,095	1,368,132	7,819	1,983,567
17. Collection and bank service charges				804,637	804,637
18. Group service and administration fees					0
19. Reimbursements by uninsured plans	(8,585,214)	(8,268,262)	(31,923,932)		(48,777,408)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	153,563	147,894	556,750	3,879	862,086
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			17,480,915		17,480,915
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees			18,636,257		18,636,257
23.4 Payroll taxes	2,280,851	2,196,646	8,481,295		12,958,792
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	287,173	276,571	1,060,594	7,254	1,631,593
26. Total expenses incurred (Lines 1 to 25)	74,709,255	73,452,629	408,880,292	2,848,623	(a) .....559,890,799
27. Less expenses unpaid December 31, current year	8,495,159	8,352,269	50,133,486		66,980,914
28. Add expenses unpaid December 31, prior year	220	9,722,210	31,226,347		40,948,777
29. Amounts receivable relating to uninsured plans, prior year	7,116,237	7,841,047	30,807,779		45,765,063
30. Amounts receivable relating to uninsured plans, current year	8,409,629	8,099,158	31,271,020		47,779,807
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	67,507,708	75,080,681	390,436,394	2,848,623	535,873,406
DETAILS OF WRITE-INS					
2501. Miscellaneous expenses	287,173	276,571	1,060,594	7,254	1,631,593
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	287,173	276,571	1,060,594	7,254	1,631,593

(a) Includes management fees of \$432,674,662 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....8,650,636	.....8,566,238
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....36,026,853	.....35,769,881
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....22,392	.....22,392
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....3,960,955	.....3,949,650
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....(633,613)	.....969,294
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....2,781,677	.....2,781,677
9.	Aggregate write-ins for investment income .....	.....50,979	.....51,597
10.	Total gross investment income	50,859,879	52,110,729
11.	Investment expenses .....	.....	(g) .....2,848,623
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h) .....958,125
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....3,806,748
17.	Net investment income (Line 10 minus Line 16)	.....	48,303,981
DETAILS OF WRITE-INS			
0901.	Security Lending .....	.....50,979	.....51,597
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	50,979	51,597
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	.....	0

- (a) Includes \$1,913,575 accrual of discount less \$20,507,877 amortization of premium and less \$9,142,048 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$140,985 accrual of discount less \$9,822,096 amortization of premium and less \$12,116,525 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$.2,848,623 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	281,174	0	281,174	(588,050)	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	0	.....	.....
1.2	Other bonds (unaffiliated)	8,564,864	(4,905,949)	3,658,915	(27,913)	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	117,638	0	117,638	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	75,543,470	(6,418,910)	69,124,560	(31,588,641)	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans .....	.....	0	0	0	0
4.	Real estate .....	.....	0	0	.....	0
5.	Contract loans .....	.....	.....	0	.....	.....
6.	Cash, cash equivalents and short-term investments	(907,267)	(298)	(907,565)	2,075	.....
7.	Derivative instruments .....	.....	.....	0	.....	.....
8.	Other invested assets	1,672,703	0	1,672,703	21,483,602	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	85,272,582	(11,325,157)	73,947,425	(10,718,927)	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	115,734	686,025	570,291
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	53,294	535,942	482,648
21. Furniture and equipment, including health care delivery assets	6,734,678	10,138,537	3,403,859
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	27,909,790	14,766,966	(13,142,824)
25. Aggregate write-ins for other than invested assets	0	362,073	362,073
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	34,813,496	26,489,543	(8,323,953)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	34,813,496	26,489,543	(8,323,953)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid expenses		362,073	362,073
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	362,073	362,073

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	704,385	674,315	673,596	675,271	669,179	8,092,569
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	704,385	674,315	673,596	675,271	669,179	8,092,569
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Care Network of Michigan (BCN) are presented on the basis of accounting practices required by the Michigan Department of Insurance and Financial Services (DIFS).

DIFS has adopted the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual and the related NAIC Annual Statement Instructions (NAIC SAP) for determining and reporting the financial condition and results of operations of an insurance company. DIFS requires the use of NAIC SAP to the extent that practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or by the DIFS Forms and Instructions for Required Filings in Michigan as prescribed or permitted practices.

A reconciliation of BCN’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	SSAP #	F/S Page	F/S Line #	2021		2020	
NET INCOME							
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$	(98,095,077)	\$	132,354,775
(2) State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:							
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$	(98,095,077)	\$	132,354,775
SURPLUS							
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$	1,791,379,725	\$	1,908,517,681
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$	1,791,379,725	\$	1,908,517,681

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of statutory-basis financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statutory-basis financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates include assumptions used in amounts recorded relating to the Affordable Care Act (ACA); liabilities for unpaid claims, specifically incurred but not reported (IBNR); premium deficiency reserves and litigation-related contingencies.

C. Accounting Policy

Revenues – Premiums, which generally are billed in advance, are recognized as revenue during the respective periods of coverage. Premiums applicable to the unexpired portion of coverage are reflected in the accompanying statutory-basis statements of Admitted Assets, Liabilities, Capital and Surplus as Aggregate health policy reserves. Premiums received in advance of the billing due date are recorded as premiums received in advance.

Revenue from self-funded administrative services only (ASO) primarily consists of administrative fees for services provided, such as management of medical services, claims processing, and access to provider networks. Under ASO arrangements, self-funded groups retain the primary underwriting risk of paying claims. Amounts due from ASO groups are equal to the amounts required to pay claims and administrative fees. Administrative fees are earned as services are performed and are calculated based on the number of members in a group or the group’s claim experience. Since benefit expenses for ASO arrangements are not the responsibility of BCN, claims paid by BCN and the corresponding receipt of claim payments are not reported in the accompanying Statement of Revenue and Expenses.

For the years ended December 31, 2021 and 2020, administrative fee revenues of \$48,777,408 and \$46,014,757, respectively, related to ASO arrangements are included as a reduction in general administrative expenses, cost containment expenses, and other claim adjustment expenses.

BCN follows the accounting policies below:

- (1) Cash Equivalents and Short-term investments include commercial paper, certificates of deposits, money market mutual funds and other readily marketable investments with initial maturities less than one year for short-term investments and three months or less for cash equivalents. In general, cash equivalents and short-term investments are recorded at amortized cost, which approximates market value. Money market mutual funds are recorded at fair value or net asset value (NAV) per share.
- (2) Bonds not backed by other loans – that have a NAIC designation of one or two are stated at amortized cost using the scientific effective interest method. Bonds with a NAIC designation of three to six are carried at the lower of amortized cost or fair market value. BCN has not elected to use the Systematic approach for their SVO identified investments.
- (3) Common stocks – stated at fair value. Changes in unrealized appreciation and depreciation in the value of common stocks are reflected as direct increases or decreases in surplus.
- (4) Preferred stocks – redeemable preferred stocks are stated at book value for NAIC classes one and two and lower of book value or market for NAIC classes three through six. Perpetual preferred stocks are stated at fair value for all NAIC designations, not to exceed any currently effective call price. Changes in unrealized appreciation and depreciation in the value of preferred stocks are reflected as direct increases or decreases in surplus.
- (5) Mortgage loans on real estate

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

(6) Loan-backed securities – loan-backed securities with a NAIC designation of 1 or 2 are stated at amortized cost using the scientific effective interest method while those loan-backed securities with a NAIC designation of three or higher are carried at lower of amortized cost or fair market value. Premiums and discounts on loan-backed bonds and structured securities are amortized using the retrospective method based on anticipated prepayments at the date of purchase. Prepayment assumptions are obtained from broker- dealer survey values or internal estimates. Changes in estimated cash flows from the original purchase assumptions are accounted for using a prospective method. Should the present value of anticipated cash flows collected be less than the amortized cost basis, a determination will be made on whether the decline in value is other-than-temporary. If BCN has the ability and intent to hold the security to maturity, but does not expect recovery of the carrying value, the credit portion of the decline is recognized as an impairment loss.

(7) Investments in subsidiaries, controlled and affiliated entities

NOT APPLICABLE

(8) Investments in joint ventures, partnerships and limited liability companies – BCN has ownership interests in partnerships and limited liability companies. BCN carries these investments based on the underlying U.S. GAAP equity of the investee. Such investments are included in the other invested assets line of the Assets page.

(9) Derivatives

NOT APPLICABLE

(10) Investment income in premium deficiency calculation – BCN used anticipated investment income as part of the premium deficiency actuarial estimate calculation.

(11) Claims unpaid – The claims unpaid liability for incurred but unpaid and unreported claims is accrued in the period during which the services are provided and includes actuarial estimates of services performed that have not been reported to BCN by providers. Such estimates are based on historical claims experience modified for current trends and changes in benefits provided. Revisions in actuarial estimates are reported in the period in which they arise. BCN has reinsured certain components of its claims liabilities. Processing expense related to unpaid claims is accrued based on an estimate of cost to process such claims.

(12) Fixed asset capitalization – BCN had no change in its fixed asset capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables – BCN receives pharmaceutical rebates from third-party pharmacy benefit managers. Rebate accruals are calculated using recent history of rebates received to develop an estimate.

D. Going Concern

Management has evaluated BCN's ability to continue as a going concern and does not have any substantial doubt about BCN's ability to continue as a going concern.

NOTE 2 Accounting Changes and Corrections of Errors

NOT APPLICABLE

NOTE 3 Business Combinations and Goodwill

NOT APPLICABLE

NOTE 4 Discontinued Operations

NOT APPLICABLE

NOTE 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

NOT APPLICABLE

B. Debt Restructuring

NOT APPLICABLE

C. Reverse Mortgages

NOT APPLICABLE

D. Loan-Backed Securities

(1) Loan-backed securities designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost; securities that are designated medium quality, low quality, lowest quality and in or near default (NAIC designations 3 to 6, respectively) shall be reported at the lower of amortized cost or fair value. Premiums and discounts on loan-backed bonds and structured securities are amortized using the retrospective method based on anticipated prepayments at the date of purchase. Prepayment assumptions are obtained from broker-dealer survey values or internal estimates. Changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method.

(2) Other-Than-Temporary Impairment of Loan-Backed and Structured Securities

NOT APPLICABLE

(3) Other-Than-Temporary Impairment of Loan-Backed and Structured Securities by CUSIP – Not applicable

NOT APPLICABLE

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (1,499,063)
2. 12 Months or Longer	\$ (94,131)
b)The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 135,077,153
2. 12 Months or Longer	\$ 2,606,580

NOTES TO FINANCIAL STATEMENTS

(5) Because BCN has determined the investments, noted in (4)b above, have not been subject to credit losses and BCN does not have the intent to sell the securities and has the ability to hold such securities, BCN does not consider these investments to be other-than-temporarily impaired.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) Policy for Requiring Collateral or Other Security – In the normal course of business, BCN participates in security lending agreements with a custodian bank. Under the agreement, BCN lends equity and bond securities in exchange for collateral, approximating at least 102% of the value of the securities loaned. Cash collateral is invested by the custodian bank in a money market fund and the offsetting collateral liability is included in Collateral from Lending activities. BCN's non-cash collateral is in the form of U.S. Treasury and U.S. agency securities. The security lending agreements are primarily overnight in nature and subject to renewal or termination. The fair value of the cash and non-cash collateral at December 31, 2021 is \$8,856,754 and \$6,393,242 respectively.

(2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities – BCN has no pledged assets under its security lending transaction

(3) Collateral Received
a. Aggregate Amount Collateral Received

	Fair Value	
1. Securities Lending		
(a) Open	\$	8,856,754
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) Greater Than 90 Days		
(f) Subtotal	\$	8,856,754
(g) Securities Received		
(h) Total Collateral Received	\$	8,856,754
2. Dollar Repurchase Agreement		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) Greater Than 90 Days		
(f) Subtotal	\$	-
(g) Securities Received		
(h) Total Collateral Received	\$	-
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$	-

c. Information about Sources and Uses of Collateral – BCN receives cash and noncash collateral in an amount in excess of the fair value of the securities lent. BCN reinvests the cash collateral into a money market fund.

(4) Securities lending transactions administered by an affiliated agent

NOT APPLICABLE

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested	Amortized Cost		Fair Value	
1. Securities Lending				
(a) Open	\$	8,856,754	\$	8,856,754
(b) 30 Days or Less				
(c) 31 to 60 Days				
(d) 61 to 90 Days				
(e) 91 to 120 Days				
(f) 121 to 180 Days				
(g) 181 to 365 Days				
(h) 1 to 2 years				
(i) 2 to 3 years				
(j) Greater than 3 years				
(k) Subtotal	\$	8,856,754	\$	8,856,754
(l) Securities Received				
(m) Total Collateral Reinvested	\$	8,856,754	\$	8,856,754
2. Dollar Repurchase Agreement				
(a) Open				
(b) 30 Days or Less				
(c) 31 to 60 Days				
(d) 61 to 90 Days				
(e) 91 to 120 Days				
(f) 121 to 180 Days				
(g) 181 to 365 Days				
(h) 1 to 2 years				
(i) 2 to 3 years				
(j) Greater than 3 years				
(k) Subtotal	\$	-	\$	-
(l) Securities Received				
(m) Total Collateral Reinvested	\$	-	\$	-

b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches

NOT APPLICABLE

BCN has re-invested the cash collateral (Collateral to be returned) in a Money Market Mutual Fund with no specified maturity date and can be returned at any time.

(6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge
By contract, BCN through its custodian bank, is allowed to sell collateral received if borrowers are in default.

NOTES TO FINANCIAL STATEMENTS

(7) Collateral for securities lending transactions that extend beyond one year from the reporting date.

NOT APPLICABLE

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

NOT APPLICABLE

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

NOT APPLICABLE

H. Repurchase Agreements Transactions Accounted for as a Sale

NOT APPLICABLE

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

NOT APPLICABLE

J. Real Estate

NOT APPLICABLE

K. Low Income Housing tax Credits (LIHTC)

NOT APPLICABLE

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Non- admitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Non- admitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			\$ -		\$ -	0.000%	0.000%
b. Collateral held under security lending agreements	\$ 8,856,754	\$ 4,713,555	\$ 4,143,199		\$ 8,856,754	0.313%	0.317%
c. Subject to repurchase agreements			\$ -		\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements			\$ -		\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
g. Placed under option contracts			\$ -		\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			\$ -		\$ -	0.000%	0.000%
i. FHLB capital stock	\$ 4,205,500	\$ 4,205,500	\$ -		\$ 4,205,500	0.149%	0.151%
j. On deposit with states	\$ 1,000,000	\$ 1,000,000	\$ -		\$ 1,000,000	0.035%	0.036%
k. On deposit with other regulatory bodies			\$ -		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ 132,012,352	\$56,801,929	\$75,210,423		\$ 132,012,352	4.670%	4.728%
m. Pledged as collateral not captured in other categories			\$ -		\$ -	0.000%	0.000%
n. Other restricted assets	\$ 200	\$ 200	\$ -		\$ 200	0.000%	0.000%
o. Total Restricted Assets	\$ 146,074,806	\$66,721,184	\$79,353,622	\$ -	\$ 146,074,806	5.168%	5.232%

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

NOT APPLICABLE

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non- admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
BSBSM Foundation	\$ 200	\$ 200	\$ -	\$ 200	0.000%	0.000%
Total (a)	\$ 200	\$ 200	\$ -	\$ 200	0.000%	0.000%

(a) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5.

NOTES TO FINANCIAL STATEMENTS

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments			0.000%	0.000%
b. Schedule D, Part 1			0.000%	0.000%
c. Schedule D, Part 2, Section 1			0.000%	0.000%
d. Schedule D, Part 2, Section 2			0.000%	0.000%
e. Schedule B			0.000%	0.000%
f. Schedule A			0.000%	0.000%
g. Schedule BA, Part 1			0.000%	0.000%
h. Schedule DL, Part 1	\$ 8,856,754	\$ 8,856,754	0.313%	0.317%
i. Other			0.000%	0.000%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 8,856,754	\$ 8,856,754	0.313%	0.317%

* Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided by Asset Page, Line 26 (Column 3)

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	\$ 8,856,754	0.885%

* Column 1 divided by Liability Page, Line 24 (Column 3)

M. Working Capital Finance Investments

NOT APPLICABLE

N. Offsetting and Netting of Assets and Liabilities

NOT APPLICABLE

O. 5GI Securities

NOT APPLICABLE

P. Short Sales

NOT APPLICABLE

Q. Prepayment Penalty and Acceleration Fees

	General Account
1. Number of CUSIPs	169
2. Aggregate Amount of Investment Income	\$ 9,378,320

R. Reporting Entity's Share of Cash Pool by Asset Type

NOT APPLICABLE

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies

NOT APPLICABLE

NOTE 7 Investment Income

A. BCN non-admits investment income due and accrued if the amounts are over 90 days past due.

B. BCN admitted all accrued investment income as of December 31, 2021 and 2020.

NOTE 8 Derivative Instruments

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 9 Income Taxes

A. Deferred Tax Assets/(Liabilities)

The income tax provision is calculated under the liability method. Deferred tax assets and liabilities are recorded based on the difference between the statutory financial statement and tax basis of assets and liabilities at the enacted rates. The net change in deferred tax assets and liabilities is applied directly to unassigned deficit. The nonadmitted portion of a net deferred tax asset is determined by applying the rules prescribed by Statement of Statutory Accounting Principles (SSAP) No. 101, Income Taxes.

1. The components of net deferred tax asset/(liability) at the end of the current period are as follows:

	12/31/2021			12/31/2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 420,979		\$ 420,979	\$ 171,540		\$ 171,540	\$ 249,439	\$ -	\$ 249,439
(b) Statutory Valuation Allowance Adjustment	\$ 420,979		\$ 420,979	\$ 171,540		\$ 171,540	\$ 249,439	\$ -	\$ 249,439
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d) Deferred Tax Assets Nonadmitted			\$ -			\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(f) Deferred Tax Liabilities			\$ -			\$ -	\$ -	\$ -	\$ -
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Admission Calculation Components SSAP No. 101:

	12/31/2021			12/31/2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks			\$ -			\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)			\$ -			\$ -	\$ -	\$ -	\$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			\$ -			\$ -	\$ -	\$ -	\$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX		XXX	XXX		XXX	XXX	\$ -
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.			\$ -			\$ -	\$ -	\$ -	\$ -
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Under the Federal Internal Revenue Code, ordinary losses can be carried back two years for entities taxed as nonlife insurance companies, while capital losses for entities taxed both as nonlife and life insurance companies can be carried back three years. For losses arising in tax years after 2017, entities taxed as life insurance companies are not permitted to carryback ordinary losses.

3. Other Admissibility Criteria

2021

2020

- a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.
- b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/2021		12/31/2020		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col. 1 - 3) Ordinary	(Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies					0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies					0.000%	0.000%

b. Does the Company's tax-planning strategies include the use of reinsurance?

Yes [] No [X]

NOTES TO FINANCIAL STATEMENTS

B. Unrecognized Deferred Tax Liabilities

NOT APPLICABLE

C. Components of Income Tax Incurred

BCN has identified specific investment activity subject to tax as unrelated debt-financed income associated with the Federal Home Loan Bank loan proceeds, offset by applicable expenses and charitable contribution deductions.

BCN has been recognized by the Internal Revenue Service, under Internal Revenue Code Section 501(c)(4), as an organization exempt from tax under Section 501 (a). BCN incurs unrelated business income that generates federal income taxes. There were no material uncertain tax positions as of December 31, 2021 or 2020.

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 22,755	\$ (6,550)	\$ 29,305
(b) Foreign			\$ -
(c) Subtotal	\$ 22,755	\$ (6,550)	\$ 29,305
(d) Federal income tax on net capital gains	\$ 19,252	\$ 317,461	\$ (298,209)
(e) Utilization of capital loss carry-forwards			\$ -
(f) Other	\$ 23,198	\$ (9,079)	\$ 32,277
(g) Federal and foreign income taxes incurred	\$ 65,205	\$ 301,832	\$ (236,627)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses			\$ -
(2) Unearned premium reserve			\$ -
(3) Policyholder reserves			\$ -
(4) Investments			\$ -
(5) Deferred acquisition costs			\$ -
(6) Policyholder dividends accrual			\$ -
(7) Fixed Assets			\$ -
(8) Compensation and benefits accrual			\$ -
(9) Pension accrual			\$ -
(10) Receivables - nonadmitted			\$ -
(11) Net operating loss carry-forward			\$ -
(12) Tax credit carry-forward			\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ 420,979	\$ 171,540	\$ 249,439
(99) Subtotal	\$ 420,979	\$ 171,540	\$ 249,439
(b) Statutory valuation allowance adjustment	\$ 420,979	\$ 171,540	\$ 249,439
(c) Nonadmitted			\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ -	\$ -	\$ -
(e) Capital:			
(1) Investments			\$ -
(2) Net capital loss carry-forward			\$ -
(3) Real estate			\$ -
(4) Other (including items <5% of total ordinary tax assets)			\$ -
(99) Subtotal	\$ -	\$ -	\$ -
(f) Statutory valuation allowance adjustment			\$ -
(g) Nonadmitted			\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted deferred tax assets (2d + 2h)	\$ -	\$ -	\$ -
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments			\$ -
(2) Fixed Assets			\$ -
(3) Deferred and uncollected premium			\$ -
(4) Policyholder reserves			\$ -
(5) Other (including items <5% of total ordinary tax liabilities)			\$ -
(99) Subtotal	\$ -	\$ -	\$ -
(b) Capital:			
(1) Investments			\$ -
(2) Real estate			\$ -
(3) Other (including items <5% of total capital tax liabilities)			\$ -
(99) Subtotal	\$ -	\$ -	\$ -
(c) Deferred tax liabilities (3a99 + 3b99)	\$ -	\$ -	\$ -
4. Net deferred tax assets/liabilities (2i - 3c)	\$ -	\$ -	\$ -

D. Significant book to tax adjustments – During 2021, BCN incurred realized net capital gains of \$91,676. A valuation allowance against contribution carry overs of \$171,540 and \$420,979 has been recorded at December 31, 2020 and 2021 respectively.

E. Loss carry-forwards, credit carry-forwards - As of December 31, 2021, BCN had no operating loss or tax credit carry-forward.

F. Consolidated Tax Filing

NOT APPLICABLE

G. Loss Contingencies

NOT APPLICABLE - BCN believes that any income tax liability for uncertain tax positions will not significantly increase or decrease within the next twelve months.

H. Repatriation Transition Tax (RTT)

NOT APPLICABLE

I. Alternative Minimum Tax (AMT) Credit

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. On a routine basis, BCN conducts business transactions with its parent, Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM), and affiliates: Woodward Straits Insurance Company (WSIC), a subsidiary of BCBSM; COBX CO., Advantasure, Inc., and Tessellate Holdings, LLC, each a wholly owned subsidiary of Emergent Holdings, Inc. (EHI), a subsidiary of BCBSM; Accident Fund Insurance Company of America (AFICA), a subsidiary of Accident Fund Holdings, Inc. (AFHI), a subsidiary of EHI.
- B. Transactions with BCBSM include payments for health benefit coverage; processing and payment of certain claims; underpayments and/or overpayments due to and from hospitals; management, administrative and professional services; allocated employee salaries and related benefits; building rent; purchased services including agent fees; and reinsurance. Transactions with affiliates include management, administrative and professional services; workers' compensation coverage; malpractice liability coverage; insolvency coverage; reinsurance coverage and reduced deductibles for property, general liability, automobile, and fidelity insurance coverage.

Administrative support fees incurred from BCBSM were allocated to the statutory administrative expense categories of cost containment, other claims adjustment, general administrative and investment expenses, based on BCBSM's statutory administrative expense categories. These statutory administrative expense categories were further allocated to detailed expense accounts based on the BCBSM's expense detail.

For the years ended December 31, 2021 and 2020, \$1,516,547,824 and \$2,572,154,797, respectively, were billed from BCBSM and affiliates for the operating activities detailed above. The majority of these transactions were related to BCBSM.

For the years ended December 31, 2021 and 2020, \$89,320,553 and \$55,783,809, respectively, were billed to BCBSM and affiliates for the operating activities detailed above. The majority of these transactions were related to BCBSM.

- C. Transactions with related party who are not reported on Schedule Y

NOT APPLICABLE

- D. Except for reinsurance ceded and ceded reinsurance premiums payable, all related-party receivable and payable balances are classified as either claims unpaid or amounts due to or receivables from parent, subsidiaries, and affiliates.

As of December 31, 2021 and 2020, BCN had \$73,264,488 and \$16,978,023, respectively, in related party receivables. The majority of these balances were related to BCBSM.

As of December 31, 2021 and 2020, BCN had \$104,627,803 and \$90,939,010, respectively, in related party payables. The majority of these balances were related to BCBSM.

- E. BCN has agreements with BCBSM and affiliates under which the parties may provide services to or receive services from BCN. Unless otherwise required under IRC guidelines, the agreements provide for monthly payments and a year-end settlement based on the actual cost of services performed.

- F. Affiliate Guarantees

NOT APPLICABLE

- G. All outstanding shares of BCN are owned by BCBSM.

- H. Ownership in upstream affiliate or parent

NOT APPLICABLE

- I. Investment in SCA

NOT APPLICABLE

- J. Investment Impaired

NOT APPLICABLE

- K. Investment in a foreign insurance subsidiary

NOT APPLICABLE

- L. Investment in downstream noninsurance holding company

NOT APPLICABLE

- M. All SCA Investments

NOT APPLICABLE

- N. Investment in Insurance SCAs

NOT APPLICABLE

- O. SCA or SSAP 48 Entity Loss Tracking

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 11 Debt

A. Debt Including Capital Notes

NOT APPLICABLE

B. FHLB (Federal Home Loan Bank) Agreements

(1) BCN became a member of the Federal Home Loan Bank of Indianapolis (FHLBI) on December 1, 2009, in order to obtain short-term, long-term and line-of-credit borrowing privileges. As of December 31.2021, BCN has \$50,000,000 outstanding at a rate of 1.89% and a maturity of November 8, 2024. BCN plans to utilize any funding obtained to cover operational needs or longer-term strategic plans. Borrowings are accounted for consistent with SSAP No. 15, Debt and Holding Company Obligations. The loans are collateralized by government securities at 105% of the outstanding loan balance. BCN calculates the actual or estimated borrowing capacity based on current FHLBI capital stock.

(2) FHLB Capital Stock
a. Aggregate Totals

	Total
1. Current Year	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 4,205,500
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 4,205,500
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 93,455,556
2. Prior Year-end	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 4,205,500
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 4,205,500
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 93,455,556

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
1. Class A	\$ -					
2. Class B	\$ 4,205,500	\$ 4,205,500				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB
a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total Collateral Pledged	\$ 137,439,848	\$ 132,084,729	\$ 50,000,000
2. Prior Year-end Total Collateral Pledged	\$ 58,840,690	\$ 56,801,929	\$ 50,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged	\$ 160,675,765	\$ 154,252,026	\$ 50,000,000
2. Prior Year-end Total Maximum Collateral Pledged	\$ 59,984,450	\$ 57,875,075	\$ 50,000,000

NOTES TO FINANCIAL STATEMENTS

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	Total	Funding Agreements Reserves Established	
1. Current Year			
(a) Debt		XXX	
(b) Funding Agreements	\$ 50,000,000		
(c) Other		XXX	
(d) Aggregate Total (a+b+c)	\$ 50,000,000	\$	-
2. Prior Year end			
(a) Debt		XXX	
(b) Funding Agreements	\$ 50,000,000	\$	-
(c) Other		XXX	
(d) Aggregate Total (a+b+c)	\$ 50,000,000	\$	-

b. Maximum Amount During Reporting Period (Current Year)

	Total
1. Debt	
2. Funding Agreements	\$ 50,000,000
3. Other	
4. Aggregate Total (Lines 1+2+3)	\$ 50,000,000

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

NOT APPLICABLE

B. Plan Asset Investment Policies and Procedures

NOT APPLICABLE

C. The fair value of each class of plan assets

NOT APPLICABLE

D. Basis of Rate-of-Return-on-Assets Assumption

NOT APPLICABLE

E. Defined Contribution Plan

NOT APPLICABLE

F. Multiemployer Plans

NOT APPLICABLE

G. Consolidated/Holding Company Plans

BCBSM has the responsibility for administering and funding the pension and other postretirement benefits for BCN, including qualified and non-qualified noncontributory defined benefit pension plans, and qualified defined contribution and deferred compensation plans. BCN has no legal obligation for benefits under these plans. BCBSM allocates expenses to BCN based on allocations supporting other employment and overhead costs. BCN's share of net expense for qualified and non-qualified pension plans, other postretirement benefit plans and qualified defined contribution plans was:

	2021	2020
Qualified and non-qualified pensions plans	\$17,147,805	\$17,460,681
Other postretirement benefit plans	(2,937,927)	1,264,409
Qualified defined contribution plan	6,938,870	5,145,916

The above expenses and amounts due to BCBSM related to the retirement expenses, as of December 31, 2021 and 2020, are included in the amounts disclosed in Note 10.

H. Postemployment Benefits and Compensated Absences

NOT APPLICABLE

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- A.

BCN has 500 shares of common stock authorized; and 100 shares issued and outstanding. All shares are one class and have a par value of \$100 per share.
- B.

Preferred stock

NOT APPLICABLE
- C.

Dividend restrictions – BCN's Articles of Incorporation prohibit dividends.
- D.

Dividends paid

NOT APPLICABLE
- E.

Stockholder's portion of ordinary dividends

NOT APPLICABLE
- F.

Restrictions placed on unassigned funds (surplus)

NOT APPLICABLE
- G.

The total amount of advances to surplus not repaid

NOT APPLICABLE
- H.

The amount of stock held by BCN for special purposes

NOT APPLICABLE
- I.

Special surplus fund changes

NOT APPLICABLE
- J.

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was a net unrealized gain of \$70,810,522 at December 31, 2021.
- K.

Surplus notes

NOT APPLICABLE
- L.

Impact of any restatement due to quasi-reorganization

NOT APPLICABLE
- M.

Effective date(s) of all quasi-reorganizations in the prior 10 years is/are

NOT APPLICABLE

NOTE 14 Liabilities, Contingencies and Assessments

- A.

Contingent Commitments

BCN has outstanding commitments for additional investments to its joint ventures and partnership interests in the amount of \$77,589,428 at December 31, 2021.
- B.

Assessments

The following items were recognized under SSAP No. 35R, Guaranty Fund and Other Assessments:

Effective October 1, 2018, the State of Michigan enacted the Insurance Provider Assessment (IPA). The IPA is a fixed-rate tax based on per member per month membership assessed on health insurers authorized to deliver, issue for delivery, or renew a policy in the state of Michigan (including HMOs). The liability is reflected in general expenses due or accrued as of December 31, 2021 and 2020, in the amount of \$8,728,859 and \$9,002,953, respectively.

Effective October 1, 2012, through September 30, 2029, the Affordable Care Act (ACA) requires a comparative effectiveness assessment to fund health outcome and clinical effectiveness research conducted by the Patient Centered Outcomes Research Institute, a non-profit organization created by the ACA. The liability is reflected in general expenses due or accrued as of December 31, 2021 and 2020, in the amount of \$1,719,754 and \$1,778,809, respectively.
- C.

Gain Contingencies

NOT APPLICABLE
- D.

Claims related extra contractual obligations and bad faith losses stemming from lawsuits

NOT APPLICABLE
- E.

Joint and Several Liabilities

NOT APPLICABLE

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

NOTES TO FINANCIAL STATEMENTS

F. All Other Contingencies

COVID-19—BCN continues to monitor and evaluate the effects of the COVID-19 pandemic from an operational and financial perspective. Uncertainty remains as new variants and outbreaks continue to emerge, in spite of national vaccination efforts and new medical treatments being approved for use.

In 2021, we continued to provide expanded COVID-19 related benefits to our members including diagnostic testing, telemedicine, expanded mental health services and vaccination and booster shots at no cost.

The safety, health and wellbeing of our employees remained a top priority in 2021. Onsite workforce presence was limited to employees performing essential functions, with employees working from home whenever possible. In addition, to comply with the federal mandate that federal contractors be vaccinated, the Company instituted a mandatory vaccination requirement in the Fall of 2021.

COVID-19 continues to disrupt the delivery of healthcare resulting in unpredictable payment patterns and uncertainty in the marketplace as deferred care in 2020 and higher utilization associated with COVID testing and treatment led to increased consumer demand in 2021.

BCN's financial condition, liquidity and statutory surplus are strong, and management has plans in place to successfully navigate through this crisis.

Hospital Contracts — A civil lawsuit challenging the use of most favored nations (MFN) clauses in hospital contracts is pending that seeks monetary relief. It is not yet possible to make an assessment regarding probability of an adverse outcome, nor estimate a range of potential loss in this case.

BCBSA Litigation — Numerous antitrust class actions have been filed against BCBSA and every Plan. The cases were originally filed in 2012. The cases were consolidated into two, a provider case and a subscriber case. The cases are currently pending in United States District Court for the Northern District of Alabama. The cases allege that numerous BCBSA rules and/or regulations violate the Sherman Antitrust Act and related state laws. In October 2020, a preliminary settlement was reached in the subscriber matter. The Company has accrued its estimated share of the settlement. Certain entities have opted out of the subscriber settlement and have filed separate legal actions. With respect to the opt-out cases and the provider action, it is not yet possible to make an assessment regarding the probability of an adverse outcome, nor estimate a range of potential loss.

Other Legal Matters – BCN is a defendant in numerous other lawsuits and involved in other matters arising in the normal course of business primarily related to subscribers' benefits, breach of contracts, provider reimbursement issues and provider participation arrangements. BCN's management, as of December 31, 2021, estimates that these matters will be resolved without a material adverse effect on BCN's future financial position or results of operations.

Where available information indicates that it is probable that a loss has been incurred as of the date of the statutory-basis financial statements and the amount of the loss can be reasonably estimated, BCN will accrue the estimated loss. As of December 31, 2021, and 2020, BCN recorded in general expenses due or accrued in the Liabilities, Capital, and Surplus \$18,261,596 and \$18,261,596, respectively, for all probable and reasonably estimable losses.

The statements of revenue and expenses for the periods ended December 31, 2021 and December 31, 2020 includes approximately \$0 and \$1,055,562, respectively, related to legal losses and settlements.

Asset Impairment – In accordance with BCN's impairment policy, OTTI is presumed to exist when the market value is below cost for investments managed by outside investment managers, because BCN has delegated the decision to hold the security until recovery and cannot assert the "intent and ability to hold to recovery."

The OTTI fair-value write-down for securities was \$4,905,949 and \$15,817,150 for debt securities and \$6,418,910 and \$17,118,215 for equity securities in 2021 and 2020, respectively.

Except for the recorded impairment mentioned above, all other investment securities that temporarily have a fair market value that is below amortized cost, are not considered to be impaired.

NOTE 15 Leases

A. Lessee Operating Lease:

(1) Leasing arrangements

(a) Rental Expense

BCN entered into certain cancelable building leases with BCBSM. BCN also leases office buildings under noncancelable operating leases with unrelated parties. Rent expense in 2021 and 2020 was \$3,990,372 and \$12,841,108, respectively.

(b) Contingent Rental Payment Basis

NOT APPLICABLE

(c) BCN's corporate office is leased through June 30, 2025. At the expiration of the lease, BCN has the option to extend the lease for three terms of five years.

Lease Restrictions

NOT APPLICABLE

Early Terminations

NOT APPLICABLE

(2) Non-cancelable leases

<u>(a) At December 31, 2021, the minimum aggregate rental commitments are as follows:</u>		Operating Leases
1. 2022	\$	3,335,384
2. 2023	\$	3,605,820
3. 2024	\$	3,605,820
4. 2025	\$	1,802,910
5. 2026	\$	-
6. Total	\$	12,349,934

(b) Non-cancelable subleases - NOT APPLICABLE

(3) Sale-leaseback transactions

NOT APPLICABLE

B. Lessor Leases

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NOT APPLICABLE

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

NOT APPLICABLE

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

BCN participates in security lending agreements with a custodian bank. Under this agreement, BCN lends equity and bond securities in exchange for collateral, approximating at least 102% of the value of the securities loaned. Cash collateral is invested by the custodian bank in a money market fund, while non-cash collateral is in the form of U.S. Treasury and U.S. agency securities. The security lending agreements are primarily overnight in nature and subject to renewal or termination. The fair value of loaned securities at December 31, 2021 were \$5,466,635 and \$9,535,776 for bonds and equities respectively.

(2) Servicing Assets and Servicing Liabilities

NOT APPLICABLE

(3) When Servicing Assets and Liabilities are Measured at Fair Value

NOT APPLICABLE

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

NOT APPLICABLE

(5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing

NOT APPLICABLE

(6) Transfer of Receivables with Recourse

NOT APPLICABLE

(7) Securities Underlying Dollar Repurchase and Dollar Reverse Repurchase Agreements

NOT APPLICABLE

C. Wash Sales

NOT APPLICABLE

NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans:

The gain (loss) from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2021:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative Expenses (including administrative fees) in excess of actual expenses	\$ (16,554,790)		\$ (16,554,790)
b. Total net other income or expenses (including interest paid to or received from plans)			\$ -
c. Net gain or (loss) from operations	\$ (16,554,790)	\$ -	\$ (16,554,790)
d. Total claim payment volume	\$ 751,878,925		\$ 751,878,925

B. ASC Plans

NOT APPLICABLE

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

(1) Medicare Part D cost-based reimbursements for the years 2021 and 2020 consisted of \$10,002,303 and \$7,810,188, respectively, for coverage gap discount; \$12,481,729 and \$12,629,430, respectively, for low-income subsidy (cost sharing portion); and \$37,903,217 and \$38,638,768, respectively, for reinsurance payments.

(2) As of December 31, 2021 and 2020, respectively, BCN had recorded receivables from the following payors whose account balances were greater than 10% of BCN's amounts receivable from uninsured accident and health plans or \$10,000:

	2021	2020
Centers for Medicare & Medicaid Services (CMS)	\$16,457,251	\$9,309,877

(3) In connection with the Medicare Part D cost-based reimbursement portion of the contract, BCN has recorded no allowances and reserves for adjustment of recorded reimbursement advances as of December 31, 2021 and 2020.

(4) Adjustments to revenue resulting from an audit of receivables related to revenues recorded in the prior period.

NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NOT APPLICABLE

NOTE 20 Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The fair values BCN's securities are based on quoted market prices, where available. These fair values are obtained primarily from custodian banks or third-party pricing services, which generally use Level 1 or Level 2 inputs for the determination of fair value in accordance with SSAP guidance.

BCN obtains only one quoted price for each security, which are derived through recently reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information. For securities not actively traded, the third-party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds.

In certain circumstances, it may not be possible to derive pricing model inputs from observable market activity, and therefore, such inputs are estimated internally. Such securities are designated Level 3.

The following techniques were used to estimate the fair value and determine the classification of assets pursuant to the valuation hierarchy:

Bonds consist of:

U.S. Government—Consist of certain U.S. government securities and bonds issued by U.S. government-backed agencies. U.S. Government securities are valued based on observable inputs such as the U.S. Treasury yield curve and/or similar assets in markets that are active and are classified as Level 2.

All Other Government—Consists of government securities and bonds issued by foreign government-backed agencies. Valuation is based on prices by a pricing service using a composite yield curve. These securities are classified as Level 2.

Special Revenue and Assessments—Consist of bonds and debt backed by noncorporate entities. Valuation is based on inputs derived directly from observable market data, such as discounted cash flows. These securities are not consistently or actively traded and are classified as Level 2.

Industrial and Miscellaneous—Consist of corporate notes and bonds. Valuation is determined using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the security is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustment for certain risks that may not be observable, such as credit and liquidity risk or a broker quote, if available. These securities are classified as Level 2.

Preferred Stocks—Consist of privately traded, nonexchange-listed equity securities. Securities that are consistently or actively traded are classified as Level 2.

Common Stocks—Consist of actively traded exchange-listed common stock and mutual fund investments, as well as privately held mutual funds and other private equity investments. The valuation for exchange-traded securities are based on unadjusted quoted prices for these securities, or funds in an active market. These securities are classified as Level 1.

Mutual Funds—Consist of registered mutual funds actively traded on an open exchange. The public-traded funds are based on an observable price in an active market and; therefore, classified as Level 1.

Cash Equivalents and Short-Term Investments—Consist of commercial paper, discount notes, other money market mutual funds, and other investments with original maturities of one year or less. Valuation is based on unadjusted quoted prices. These securities are classified as Level 1. Valuation for commercial paper and other securities is based on inputs derived from observable market data and are classified as Level 2.

Exempt Money Market Funds—Consist of money market funds that invest in one of the following: securities that are direct obligations of the U.S. government, securities that are backed by the full faith and credit of the U.S. government or collateralized repurchase agreements composed of such obligations. The Securities Valuation Office of the National Association of Insurance Commissioners maintains the list of money market funds that are eligible for classification as Exempt Money Market Funds. These securities are classified as Level 1.

State Street Navigator Securities Lending—Consists of the cash collateral posted on securities lending transactions and reinvested in money market securities. These securities are classified as Level 1.

BCN's assets and liabilities measured and recorded at fair value as of December 31, 2021, are as follows:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common Stocks					\$ -
Industrial and miscellaneous	\$ 163,906,963				\$ 163,906,963
Mutual funds	\$ 1,171,728				\$ 1,171,728
					\$ -
Cash Equivalents					\$ -
Exempt money market mutual funds	\$ 1,014,691				\$ 1,014,691
Other money market mutual funds	\$ 70,970,600				\$ 70,970,600
					\$ -
Other					\$ -
Securities lending collateral	\$ 8,856,754				\$ 8,856,754
					\$ -
Total assets at fair value/NAV	\$ 245,920,736	\$ -	\$ -	\$ -	\$ 245,920,736

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Payable for securities lending	\$ 8,856,754				\$ 8,856,754
Total liabilities at fair value	\$ 8,856,754	\$ -	\$ -	\$ -	\$ 8,856,754

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

NOT APPLICABLE

(3) Transactions between levels

NOT APPLICABLE

(4) Certain assets and liabilities of BCN are measured and reported: (a) at amortized cost, (b) at values using the adjusted audited GAAP equity method, or (c) at values that approximate fair value due to their liquid or short-term nature.

(5) Derivative assets and liabilities

NOT APPLICABLE

B. Other Fair Value Information

NOT APPLICABLE

C. Aggregate fair value or NAV for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets:							
Bonds							
Special revenue and assessment	\$ 329,064,620	\$ 325,124,091		\$ 329,064,623			
Industrial and miscellaneous	\$ 866,206,991	\$ 854,273,595		\$ 866,206,990			
U.S. government	\$ 342,077,656	\$ 319,589,144		\$ 342,077,656			
Other governments	\$ 1,786,193	\$ 1,698,226		\$ 1,786,193			
Common Stock							
Industrial and miscellaneous	\$ 163,906,963	\$ 163,906,663	\$ 163,906,963				
Mutual funds	\$ 1,171,728	\$ 1,171,728	\$ 1,171,728				
Cash Equivalents and Short Term Investments							
Industrial and miscellaneous	\$ 453,835,857	\$ 453,997,813		\$ 453,835,857			
Exempt money market mutual funds	\$ 1,014,691	\$ 1,014,691	\$ 1,014,691				
Other money market mutual funds	\$ 70,970,600	\$ 70,970,600	\$ 70,970,600				
Other:							
Securities lending collateral	\$ 8,856,754	\$ 8,856,754	\$ 8,856,754				
Liabilities:							
Debt	\$ 50,963,460	\$ 50,000,000			\$ 50,963,460		
Payable for securities lending	\$ 8,856,754	\$ 8,856,754	\$ 8,856,754				

D. Not Practicable to Estimate Fair Value

NOT APPLICABLE

E. Investments Using the NAV Practical Expedient

NOT APPLICABLE

NOTE 21 Other Items

A. Unusual or Infrequent Items

NOT APPLICABLE

B. Troubled Debt Restructuring: Debtors

NOT APPLICABLE

C. Other Disclosures

Statutory Deposit – As a condition of maintaining its certificate of authority with the State of Michigan, BCN maintains a deposit in a segregated account of \$1,000,000, which is the maximum required for a Health Maintenance Organization. These funds are intended to be used for the sole benefit of all BCN members, and only at the direction of the Director of DIFS. The funds are invested in an exempt money market mutual fund and reported in cash equivalents, in accordance with SSAP No. 2R - Cash, Cash Equivalents, Drafts and Short-Term Investments. Interest on these funds accrues to BCN.

Industry Concentration – BCN conducts business primarily within the state of Michigan. A significant portion of BCN's customer base is concentrated in companies that are part of the automobile manufacturing industry. Receivables from those customers were \$1,822,529 and \$968,757, as of December 31, 2021 and 2020, respectively. In addition, BCN held investments in these customers with a total value of \$16,715,357 and \$18,302,710, as of December 31, 2021 and 2020, respectively.

NOTES TO FINANCIAL STATEMENTS

- D. Business Interruption Insurance Recoveries
- NOT APPLICABLE
- E. State Transferable and Non-transferable Tax Credits
- NOT APPLICABLE
- F. Subprime Mortgage Related Risk Exposure
- NOT APPLICABLE
- G. Retained Assets
- NOT APPLICABLE
- H. Insurance-Linked Securities (ILS) Contracts
- NOT APPLICABLE
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy
- NOT APPLICABLE

NOTE 22 Events Subsequent

Management has evaluated all events subsequent to the annual statement date of December 31, 2021, through March 1, 2022, for the annual statement submitted on March 1, 2022.

Type I – Recognized Subsequent Events:

Management has determined that there are no Type I subsequent events that require disclosure under SSAP No. 9, Subsequent Events.

Type II – Nonrecognized Subsequent Events:

Management has determined that there are no Type II subsequent events that require disclosure under SSAP No. 9, Subsequent Events.

NOTE 23 Reinsurance

- A. Ceded Reinsurance Report

In compliance with the NAIC annual statement instructions and SSAP No. 61R, Life, Deposit-Type and Accident and Health Reinsurance, BCN accounts for its transactions with BCBSM as ceded reinsurance. BCBSM covers inpatient and outpatient facility claims in excess of \$300,000 per member basis for all lines of business, up to a defined accumulated attachment point of \$9.276 per member per month for Medicare Advantage and \$14.187 per member per month for Group Commercial Business, and \$9.667 for Individual health insurance business. In addition, BCBSM provides insolvency coverage subject to a separate aggregate limit in the amount of \$5,000,000 for all policies combined.

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes() No (X)

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes() No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. NOT APPLICABLE

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? NOT APPLICABLE

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate \$0

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? NOT APPLICABLE

B. Uncollectible Reinsurance

NOT APPLICABLE

C. Commutation of Reinsurance Reflected in Income and Expenses

NOT APPLICABLE

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

NOT APPLICABLE

E. Reinsurance Credit

NOT APPLICABLE

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. BCN estimates accrued redetermination premium adjustments and return premium adjustments for its group health insurance contracts subject to redetermination based on an examination of contract requirements in relation to the rates charged for similarly sized subscriber groups, and the status of past applicable audits.

BCN estimates accrued retrospective premium adjustments for its Medicare Advantage health insurance contracts based on an analysis of Part C member health risk score adjustments submitted to CMS and the Part D risk corridor reconciliation related to the funds received from CMS or the beneficiary.

To the extent that BCN is subject to potential medical loss ratio (MLR) rebates, any return premium adjustment would be based on the formulas required by law.

B. Accrued redetermination premium adjustments and return premium adjustments, as well as retrospective premiums, are recorded as adjustments to earned premium revenue.

C. The amount of net premiums, written by BCN, that were subject to redetermination or retrospective provisions (including premiums subject to MLR rebates) was \$3,881,447,330 and \$4,066,022,248 for 2021 and 2020, respectively; representing approximately 99.2% and 99.2% of the total net health premiums written for 2021 and 2020, respectively. No other premiums written by BCN were subject to redetermination or retrospective provisions.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 25,219,952	\$ -	\$ -	\$ 470,572	\$ 25,690,524
(2) Medical loss ratio rebates paid	\$ 20,062,914	\$ -	\$ -	\$ 1,146,395	\$ 21,209,309
(3) Medical loss ratio rebates unpaid	\$ 22,155,640	\$ -	\$ -	\$ 109,766	\$ 22,265,406
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 22,265,406
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ 1,485,399	\$ -	\$ -	\$ 101,664	\$ 1,587,063
(8) Medical loss ratio rebates paid	\$ 14,582,191	\$ -	\$ -	\$ 102,184	\$ 14,684,375
(9) Medical loss ratio rebates unpaid	\$ 9,058,848	\$ -	\$ -	\$ 109,246	\$ 9,168,094
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 9,168,094

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No []

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year Amount

a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 813,575
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)	\$ 58,067,099
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (49,013,211)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 792,226
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	
5. Ceded reinsurance premiums payable due to ACA Reinsurance	
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	
9. ACA Reinsurance contributions – not reported as ceded premium	
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	
4. Effect of ACA Risk Corridors on change in reserves for rate credits	

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Ref	Receivable	Payable
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)					\$ -	\$ -			A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$50,886,600		\$41,832,712	\$ -	\$ 9,053,888		\$(9,460,035)	B	\$ -	\$ (406,147)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$50,886,600	\$ -	\$41,832,712	\$ -	\$ 9,053,888	\$ -	\$(9,460,035)		\$ -	\$ (406,147)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid					\$ -	\$ -			C	\$ -	\$ -
2. Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium					\$ -	\$ -			F	\$ -	\$ -
5. Ceded reinsurance premiums payable					\$ -	\$ -			G	\$ -	\$ -
6. Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium					\$ -	\$ -			I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
d. Total for ACA Risk Sharing Provisions	\$ -	\$50,886,600	\$ -	\$41,832,712	\$ -	\$ 9,053,888	\$ -	\$(9,460,035)		\$ -	\$ (406,147)

NOTES TO FINANCIAL STATEMENTS

Explanations of Adjustments

- A.
- B.
Adjustment supplied by CMS
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Ref	Receivable	Payable
a. 2014											
1. Accrued retrospective premium					\$ -	\$ -			A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			B	\$ -	\$ -
b. 2015											
1. Accrued retrospective premium					\$ -	\$ -			C	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			D	\$ -	\$ -
c. 2016											
1. Accrued retrospective premium					\$ -	\$ -			E	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			F	\$ -	\$ -
d. Total for Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

Explanations of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

	1	2	3	4	5	6
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4 - 5)
a. 2014	\$ 17,193,568		\$ 17,193,568	\$ -		\$ -
b. 2015	\$ 4,131,999		\$ 4,131,999	\$ -		\$ -
c. 2016	\$ 20,617,732		\$ 20,617,732	\$ -		\$ -
d. Total (a + b + c)	\$ 41,943,299	\$ -	\$ 41,943,299	\$ -	\$ -	\$ -

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

BCN received its risk corridor receivables from the federal government in November, 2020. BCN is currently under a MLR audit examination for the 2017 - 2019 reporting years. As agreed upon during the audit, BCN will not pay additional rebates to enrollees related to the risk corridor funds received until the audit is finalized. The audit is expected to be completed in 2022. No financially material findings are anticipated.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses

A. Liabilities for unpaid claims and claims adjustment expenses as of December 31, 2020, were \$407,791,744. As of December 31, 2021, \$405,801,524 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years, respectively. Liabilities for unpaid claims and claims adjustment expenses remaining for prior years are now estimated to be \$5,737,861 as a result of a re-estimation of unpaid claims on comprehensive and Medicare lines of business. Therefore, there has been a \$3,747,641 unfavorable prior year development based on the analysis of recent loss development trends from December 31, 2020 to December 31, 2021.

B. Significant Changes in Methodologies and Assumptions

NOT APPLICABLE

NOTE 26 Intercompany Pooling Arrangements

NOT APPLICABLE

NOTE 27 Structured Settlements

NOT APPLICABLE

NOTE 28 Health Care Receivables

A. Pharmaceutical Rebate Receivables

Health care receivables include pharmacy rebates BCN receives from a third-party vendor. BCN estimates pharmacy rebate receivables based on historical rebate experience and membership. Activity for the most recent three years is summarized as follows:

	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
Date					
12/31/2021	\$ 76,642,829	\$ -	\$ -	\$ -	\$ -
09/30/2021	\$ 74,092,592	\$ 69,365,397	\$ 46,903,317	\$ -	\$ -
06/30/2021	\$ 75,844,872	\$ 69,255,965	\$ 69,016,252	\$ 239,712	\$ -
03/31/2021	\$ 71,356,818	\$ 65,880,180	\$ 61,489,613	\$ 526,826	\$ 3,863,740
12/31/2020	\$ 64,370,119	\$ 68,694,243	\$ 62,052,079	\$ 6,555,548	\$ 86,616
09/30/2020	\$ 61,140,361	\$ 63,676,671	\$ 56,714,606	\$ 885,914	\$ 6,076,151
06/30/2020	\$ 61,827,763	\$ 66,957,345	\$ 57,864,988	\$ 1,451,766	\$ 7,640,591
03/31/2020	\$ 64,678,688	\$ 68,975,905	\$ 56,857,693	\$ 1,515,382	\$ 10,602,830
12/31/2019	\$ 57,486,999	\$ 55,522,294	\$ 53,384,280	\$ 676,182	\$ 152,699
09/30/2019	\$ 55,003,999	\$ 55,814,193	\$ 53,789,156	\$ 412,909	\$ 448,442
06/30/2019	\$ 53,788,298	\$ 55,317,971	\$ 52,284,350	\$ 1,083,438	\$ 281,766
03/31/2019	\$ 51,868,201	\$ 50,224,204	\$ 49,237,397	\$ 491,975	\$ (756,809)

B. Risk-Sharing Receivables

BCN estimates risk sharing receivables based on historical claims experience modified for current trends and benefits as provided for in the risk sharing agreement. As of December 31, 2021, 2020, and 2019, BCN had no risk sharing receivables. Risk sharing receivables for the years ended December 31, 2021, 2020, and 2019 were not offset by any risk sharing payables and are recorded in healthcare and other amounts receivable.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2021	2021	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-
2020	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
2019	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-

NOTE 29 Participating Policies

NOT APPLICABLE

NOTE 30 Premium Deficiency Reserves

A liability for premium deficiency losses is an actuarial estimate that is recognized when it is probable that expected claim losses and allocable administrative expenses will exceed future premiums on existing health and other contracts, with consideration of investment income. For purposes of premium deficiency losses, contracts are grouped in a manner consistent with BCN's method of acquiring, servicing, and measuring the profitability of such contracts. Premium deficiency losses are generally released over the period that the contract is in a loss position.

1. Liability carried for premium deficiency reserves

\$ 32,163,947

2. Date of the most recent evaluation of this liability

12/31/2021

3. Was anticipated investment income utilized in the calculation?

Yes [X] No []

NOTE 31 Anticipated Salvage and Subrogation

NOT APPLICABLE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Michigan

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes [] No [X]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2020

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2020

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/15/2021

3.4

By what department or departments?
Department of Insurance and Financial Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If the response to 8.1 is yes, please identify the name of the DIHC.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

8.5

Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity?

Yes [] No [X]

8.6

If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?

Yes [] No [X] N/A []

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche LLP, 200 Renaissance Center Suite 3900, Detroit, Michigan 48243-1313.

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

John Dunn, FSA, MAAA, Sr. Vice President and Chief Actuary, Blue Cross Blue Shield of Michigan, 600 E. Lafayette, MC 1700, Detroit, Michigan 48226

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [X] No []

12.11

Name of real estate holding company

Alidade V Brookfield

12.12

Number of parcels involved

849

12.13

Total book/adjusted carrying value

\$ 14,511,920

12.2

If, yes provide explanation:

These are limited partnerships with Real Estate portfolios.

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [X] No []

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

Clarifying notes & responsibilities to align with organizational changes and charters; added conflict of interest examples & expectations.

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

\$ 0

20.12 To stockholders not officers

\$ 0

20.13 Trustees, supreme or grand (Fraternal Only)

\$ 0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$ 0

20.22 To stockholders not officers

\$ 0

20.23 Trustees, supreme or grand (Fraternal Only)

\$ 0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

\$

21.22 Borrowed from others

\$

21.23 Leased from others

\$

21.24 Other

\$
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [X] No []
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$

22.22 Amount paid as expenses

\$ 17,731,812

22.23 Other amounts paid

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 66,260,714
- 24.1

Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?

Yes [] No [X]
- 24.2

If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)

Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

25.02 If no, give full and complete information relating thereto

25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) Refer to Note 17.

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 6,393,242

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []

25.08 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []

25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:

25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 8,856,754

25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 8,856,754

25.093 Total payable for securities lending reported on the liability page. \$ 8,856,754

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []

26.2 If yes, state the amount thereof at December 31 of the current year:

26.21 Subject to repurchase agreements \$

26.22 Subject to reverse repurchase agreements \$

26.23 Subject to dollar repurchase agreements \$

26.24 Subject to reverse dollar repurchase agreements \$

26.25 Placed under option agreements \$

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$

26.27 FHLB Capital Stock \$ 4,205,500

26.28 On deposit with states \$ 1,000,000

26.29 On deposit with other regulatory bodies \$

26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$

26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 132,084,728

26.32 Other \$ 200

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A []
If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No []

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108 Yes [] No []

27.42 Permitted accounting practice Yes [] No []

27.43 Other accounting guidance Yes [] No []

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

The reporting entity has obtained explicit approval from the domiciliary state.

Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.

Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

28.2 If yes, state the amount thereof at December 31 of the current year. \$

29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	801 Pennsylvania, Kansas City, MO 64205
Federal Home Loan Bank of Indianapolis	8250 Woodfield Crossings, Indianapolis, IN 46240
Fidelity Investments Institutional Operations Co	100 Magellan Way, Covington, KY 41015

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

29.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [] No [X]

29.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Blue Cross Blue Shield of Michigan	A.....
Loomis Sayles	U.....
Los Angeles Capital Management and Equity Research, Inc.	U.....
Arrowstreet Capital Limited Partnership	U.....
Aegon Asset Management US	U.....
.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [] No [X]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [] No [X]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
.....	Blue Cross Blue Shield of Michigan	549300NP72KD2PWNIF61 .....	.....	.....
105377	Loomis Sayles	J1ZPN2RX3UMNOYID1313	SEC	NO.....
119033	Los Angeles Capital Management and Equity Research, Inc.	549300DZCL1RBNVU327	SEC	NO.....
111298	Arrowstreet Capital Limited Partnership	L03JDTZUGOR1CVPFGQ53	SEC	NO.....
114537	Aegon Asset Management US	4DJ1F67XTB552LOE3L78	SEC	NO.....
.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [X] No []

30.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
316146-10-9	Fid Inv Gr Bond	53,276
701769-40-8	Parnassus Equity IS	19,358
74256W-58-4	PIF MidCap Fund R6	55,593
378690-82-0	Glenmede Sm Cap E IS	6,079
315911-75-0	Fid 500 Index IPR	252,308
315911-72-7	Fid Intl Index IPR	7,128
411512-52-8	Harbor Cap App Ret	8,931
92646A-82-3	Victory Special Value I	8,630
315794-79-2	Fid Freedom 2015 K	209,557
315794-78-4	Fid Freedom 2020 K	213,417
315794-77-6	Fid Freedom 2025 K	196,167
315794-76-8	Fid Freedom 2030 K	18,145
315794-75-0	Fid Freedom 2035 K	110,899
31618H-36-6	Fid Intl Cap Appr K6	7,098
47803W-70-3	JH DSCPL VAL MDCP R6	5,142
30.2999 - Total		1,171,728

30.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Fid Inv Gr Bond (FBNDX)	Corporate	18,940	12/31/2021
Fid Inv Gr Bond (FBNDX)	U.S. Treasury	18,753	12/31/2021
Fid Inv Gr Bond (FBNDX)	MBS Pass-through	6,111	12/31/2021
Fid Inv Gr Bond (FBNDX)	Asset backed securities	3,868	12/31/2021
Fid Inv Gr Bond (FBNDX)	Collateralized Mortgage backed securities	3,383	12/31/2021
Glenmede SMCAP EQ IS (GTCSX)	Diodes Inc	117	12/31/2021
Glenmede SMCAP EQ IS (GTCSX)	Vonage Holdings Corp	106	12/31/2021
Glenmede SMCAP EQ IS (GTCSX)	Wintrust Financial Corp	103	12/31/2021
Glenmede SMCAP EQ IS (GTCSX)	Boyd Gaming Corp	103	12/31/2021
Glenmede SMCAP EQ IS (GTCSX)	Vocera Communications Inc	100	12/31/2021
Fid International Capital Appreciation K6 Fund (FAPCX)	Taiwan Semiconductor Mfg Co Lt	228	12/31/2021
Fid International Capital Appreciation K6 Fund (FAPCX)	Nestle S.A.	192	12/31/2021

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Fid International Capital Appreciation K6 Fund (FAPCX)	ASML Holdings NV	170	12/31/2021 ..
Fid International Capital Appreciation K6 Fund (FAPCX)	LVMH Moet Hennessy Luis Vulton	151	12/31/2021 ..
Fid International Capital Appreciation K6 Fund (FAPCX)	Novo Nordisk A/S Series B	136	12/31/2021 ..
Fid International Index IPR (FSPSX)	Nestle S.A.	158	12/31/2021 ..
Fid International Index IPR (FSPSX)	ASML Holdings NV	133	12/31/2021 ..
Fid International Index IPR (FSPSX)	Roche Holding AG	117	12/31/2021 ..
Fid International Index IPR (FSPSX)	LVMH Moet Hennessy Luis Vulton	93	12/31/2021 ..
Fid International Index IPR (FSPSX)	Toyota Motor Corp	79	12/31/2021 ..
PIF MidCap Fund R6 (PMAQX)	Brookfield Asset Management Inc Class A	2,713	12/31/2021 ..
PIF MidCap Fund R6 (PMAQX)	TransDigm Group Inc	2,113	12/31/2021 ..
PIF MidCap Fund R6 (PMAQX)	Copart Inc	1,946	12/31/2021 ..
PIF MidCap Fund R6 (PMAQX)	CoStar Group Inc	1,912	12/31/2021 ..
PIF MidCap Fund R6 (PMAQX)	KKR & Co. Inc	1,790	12/31/2021 ..
Harbor Cap App Ret (HACAX)	Tesla Inc.	683	12/31/2021 ..
Harbor Cap App Ret (HACAX)	Amazon.com Inc	563	12/31/2021 ..
Harbor Cap App Ret (HACAX)	Apple Inc	528	12/31/2021 ..
Harbor Cap App Ret (HACAX)	NVIDIA Corp	495	12/31/2021 ..
Harbor Cap App Ret (HACAX)	Microsoft Corp	474	12/31/2021 ..
Fid 500 Index IPR (FXAIX)	Apple Inc	17,283	12/31/2021 ..
Fid 500 Index IPR (FXAIX)	Microsoft Corp	15,769	12/31/2021 ..
Fid 500 Index IPR (FXAIX)	Amazon.com Inc	9,083	12/31/2021 ..
Fid 500 Index IPR (FXAIX)	Alphabet Inc Cl A	5,450	12/31/2021 ..
Fid 500 Index IPR (FXAIX)	Tesla Inc.	5,374	12/31/2021 ..
Fid Freedom 2015 K (FFVFX)	Fidelity Series Investment Grade Bond Fund	63,559	12/31/2021 ..
	Fidelity Series Emerging Markets Opportunities Fund		
Fid Freedom 2015 K (FFVFX)		16,366	12/31/2021 ..
Fid Freedom 2015 K (FFVFX)	Fidelity Series Government Money Market Fund	14,208	12/31/2021 ..
	Fidelity Series 5+ year Inflation protected Bond Index		
Fid Freedom 2015 K (FFVFX)		8,131	12/31/2021 ..
Fid Freedom 2015 K (FFVFX)	Fidelity Series Overseas Fund	7,858	12/31/2021 ..
Fid Freedom 2020 K (FFFDX)	Fidelity Series Investment Grade Bond Fund	56,641	12/31/2021 ..
	Fidelity Series Emerging Markets Opportunities Fund		
Fid Freedom 2020 K (FFFDX)		18,717	12/31/2021 ..
Fid Freedom 2020 K (FFFDX)	Fidelity Series Government Money Market Fund	11,034	12/31/2021 ..
	Fidelity Series Inflation-Protected Bond Index Fund		
Fid Freedom 2020 K (FFFDX)		9,561	12/31/2021 ..
Fid Freedom 2020 K (FFFDX)	Fidelity Series Intrinsic Opportunities Fund	9,540	12/31/2021 ..
Fid Freedom 2025 K (FFTWX)	Fidelity Series Investment Grade Bond Fund	46,374	12/31/2021 ..
	Fidelity Series Emerging Markets Opportunities Fund		
Fid Freedom 2025 K (FFTWX)		18,538	12/31/2021 ..
Fid Freedom 2025 K (FFTWX)	Fidelity Series International Value Fund	9,789	12/31/2021 ..
Fid Freedom 2025 K (FFTWX)	Fidelity Series Overseas Fund	9,769	12/31/2021 ..
Fid Freedom 2025 K (FFTWX)	Fidelity Series International Growth Fund	9,691	12/31/2021 ..
Fid Freedom 2030 K (FSNQX)	Fidelity Series Investment Grade Bond Fund	3,805	12/31/2021 ..
	Fidelity Series Emerging Markets Opportunities Fund		
Fid Freedom 2030 K (FSNQX)		1,838	12/31/2021 ..
Fid Freedom 2030 K (FSNQX)	Fidelity Series International Value Fund	1,000	12/31/2021 ..
Fid Freedom 2030 K (FSNQX)	Fidelity Series Overseas Fund	996	12/31/2021 ..
Fid Freedom 2030 K (FSNQX)	Fidelity Series Intrinsic Opportunities Fund	987	12/31/2021 ..
	Fidelity Series Emerging Markets Opportunities Fund		
Fid Freedom 2035 K (FFTHX)		12,986	12/31/2021 ..
Fid Freedom 2035 K (FFTHX)	Fidelity Series Investment Grade Bond Fund	12,210	12/31/2021 ..
Fid Freedom 2035 K (FFTHX)	Fidelity Series Intrinsic Opportunities Fund	7,696	12/31/2021 ..
Fid Freedom 2035 K (FFTHX)	Fidelity Series International Value Fund	7,430	12/31/2021 ..
Fid Freedom 2035 K (FFTHX)	Fidelity Series Overseas Fund	7,397	12/31/2021 ..
Parnassus Equity IS (PRILX)	Microsoft Corp	1,314	12/31/2021 ..
Parnassus Equity IS (PRILX)	Alphabet Inc Cl A	1,103	12/31/2021 ..
Parnassus Equity IS (PRILX)	Fiserv Inc	790	12/31/2021 ..
Parnassus Equity IS (PRILX)	CME Group Inc Cl A	767	12/31/2021 ..
Parnassus Equity IS (PRILX)	Danaher Corp	751	12/31/2021 ..
Victory Special Value (SSVSX)	Apple Inc	556	12/31/2021 ..
Victory Special Value (SSVSX)	Microsoft Corp	548	12/31/2021 ..
Victory Special Value (SSVSX)	Alphabet Inc Class C	337	12/31/2021 ..
Victory Special Value (SSVSX)	NVIDIA Corp	186	12/31/2021 ..
Victory Special Value (SSVSX)	PepsiCo	170	12/31/2021 ..
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Ameriprise Financial Inc	115	12/31/2021 ..
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Fifth Third Bancorp	103	12/31/2021 ..
John Hancock Disciplined Value Mid Cap fund (JVMRX)	AutoZone Inc	99	12/31/2021 ..
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Dover Corp	88	12/31/2021 ..
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Huntington Bancshares Inc.	87	12/31/2021 ..

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	1,500,685,060	1,539,135,460	38,450,400
31.2 Preferred stocks	0		0
31.3 Totals	1,500,685,060	1,539,135,460	38,450,400

31.4 Describe the sources or methods utilized in determining the fair values:
Custodians and Thomson Reuters are the sources for fair values.

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

33.2 If no, list exceptions:
.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$2,842,525

38.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
American Association of Health Plans .....	.....845,595
BCBSA .....	.....1,996,930
.....

39.1 Amount of payments for legal expenses, if any?\$

39.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$

40.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ☒ No ☐

1.2

If yes, indicate premium earned on U.S. business only.

\$ 29,954,202

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 19,351,688

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 20,326

1.62

Total incurred claims

\$ 10,590

1.63

Number of covered lives

9

All years prior to most current three years:

1.64

Total premium earned

\$ 29,933,876

1.65

Total incurred claims

\$ 19,341,098

1.66

Number of covered lives

9,717

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

3,911,401,546

4,097,146,131

2.2

Premium Denominator

3,911,401,546

4,097,146,131

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

600,999,223

616,683,280

2.5

Reserve Denominator

600,999,223

616,683,280

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes ☐ No ☒

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes ☒ No ☐

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes ☐ No ☒

5.1

Does the reporting entity have stop-loss reinsurance?

Yes ☒ No ☐

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 300,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Hold harmless provisions are included in contracts with providers. BCN has stop-loss coverage through an affiliate which includes an insolvency clause. In addition, BCN holds a state-mandated cash deposit and BCN members have conversion rights to BCBSM coverage. ...

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes ☒ No ☐

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

66,690

8.2

Number of providers at end of reporting year

69,260

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes ☒ No ☐

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months.

\$ 17,560,869

9.22

Business with rate guarantees over 36 months

\$

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$

10.22 Amount actually paid for year bonuses.....\$

10.23 Maximum amount payable withholds.....\$

10.24 Amount actually paid for year withholds.....\$

82,344,213

88,337,180

8,293,791

9,943,809

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or, ..

11.14 A Mixed Model (combination of above)?

Yes [] No [X]

Yes [X] No []

Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such minimum capital and surplus. Michigan

11.4 If yes, show the amount required. \$ 306,052,846

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

The greater of 4% of subscription revenue \$3,952,865,094 x .04 = \$158,114,604 or 2 times authorized control level risk-based capital 2 x \$153,026,423 = \$306,052,846

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Michigan
.....

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. \$

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [X] N/A []

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written

15.2 Total Incurred Claims

15.3 Number of Covered Lives

\$

\$

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

FIVE-YEAR HISTORICAL DATA

	1 2021	2 2020	3 2019	4 2018	5 2017
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,791,906,983	2,872,294,346	2,649,229,447	2,402,759,194	2,154,410,987
2. Total liabilities (Page 3, Line 24)	1,000,527,258	963,776,665	920,306,004	793,405,219	755,462,978
3. Statutory minimum capital and surplus requirement	306,052,846	274,257,884	284,045,562	267,726,392	224,027,496
4. Total capital and surplus (Page 3, Line 33)	1,791,379,725	1,908,517,681	1,728,923,443	1,609,353,975	1,398,948,009
Income Statement (Page 4)					
5. Total revenues (Line 8)	3,923,824,571	4,094,481,691	4,252,385,664	4,239,170,787	3,580,954,463
6. Total medical and hospital expenses (Line 18)	3,594,681,725	3,404,269,862	3,603,254,332	3,420,966,912	2,943,352,612
7. Claims adjustment expenses (Line 20)	148,161,884	160,422,951	155,332,863	172,017,150	133,534,693
8. Total administrative expenses (Line 21)	408,880,292	481,755,761	473,465,009	440,287,248	309,904,275
9. Net underwriting gain (loss) (Line 24)	(220,304,476)	43,774,316	(15,166,540)	205,899,477	194,162,883
10. Net investment gain (loss) (Line 27)	122,251,406	88,882,292	90,000,470	45,082,438	50,138,269
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	(98,095,077)	132,354,775	74,746,591	250,612,170	242,457,052
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(145,805,315)	102,566,518	111,917,126	280,665,011	241,099,446
Risk-Based Capital Analysis					
14. Total adjusted capital	1,791,379,725	1,908,517,681	1,728,923,443	1,609,353,975	1,398,948,009
15. Authorized control level risk-based capital	153,026,423	137,128,942	142,022,781	133,863,196	112,013,748
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	669,179	704,385	745,471	738,743	689,351
17. Total members months (Column 6, Line 7)	8,092,569	8,663,457	8,928,617	8,912,663	8,197,092
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	91.6	83.1	84.7	80.7	82.2
20. Cost containment expenses	1.9	1.8	1.8	2.3	2.2
21. Other claims adjustment expenses	1.9	2.1	1.8	1.8	1.6
22. Total underwriting deductions (Line 23)	105.6	98.9	100.4	95.1	94.7
23. Total underwriting gain (loss) (Line 24)	(5.6)	1.1	(0.4)	4.9	5.3
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	503,573,186	457,535,254	460,938,186	370,506,869	390,239,236
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	398,848,667	408,416,272	420,826,747	349,161,914	371,212,409
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)			0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated	200	200	200	200	0
32. Total of above Lines 26 to 31	200	200	200	200	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?.....

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Blue Care Network of Michigan

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	10
	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	N							0	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	L	2,760,923,929	1,078,122,877		113,818,288			3,952,865,094	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	N							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,760,923,929	1,078,122,877	0	0	113,818,288	0	0	3,952,865,094	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0	
61. Totals (Direct Business)	XXX	2,760,923,929	1,078,122,877	0	0	113,818,288	0	0	3,952,865,094	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

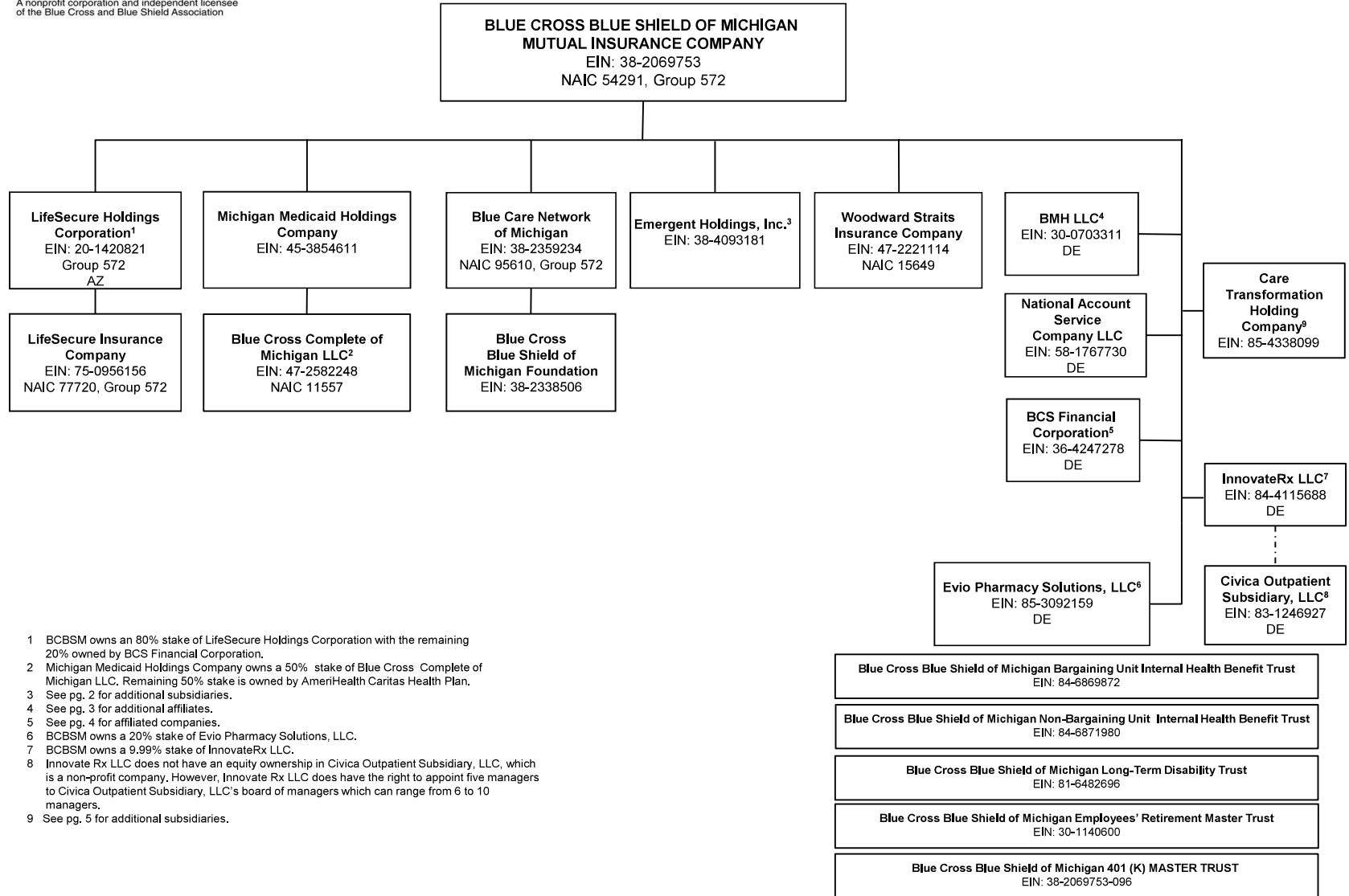
(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0
N - None of the above - Not allowed to write business in the state.....56
R - Registered - Non-domiciled RRGs.....0
Q - Qualified - Qualified or accredited reinsurer.....0

(b) Explanation of basis of allocation by states, premiums by state, etc.
By Situs of Contract



A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

SUBSIDIARY & AFFILIATE ORGANIZATION CHART



1 BCBSM owns an 80% stake of LifeSecure Holdings Corporation with the remaining 20% owned by BCS Financial Corporation.

2 Michigan Medicaid Holdings Company owns a 50% stake of Blue Cross Complete of Michigan LLC. Remaining 50% stake is owned by AmeriHealth Caritas Health Plan.

3 See pg. 2 for additional subsidiaries.

4 See pg. 3 for additional affiliates.

5 See pg. 4 for affiliated companies.

6 BCBSM owns a 20% stake of Evio Pharmacy Solutions, LLC.

7 BCBSM owns a 9.99% stake of InnovateRx LLC.

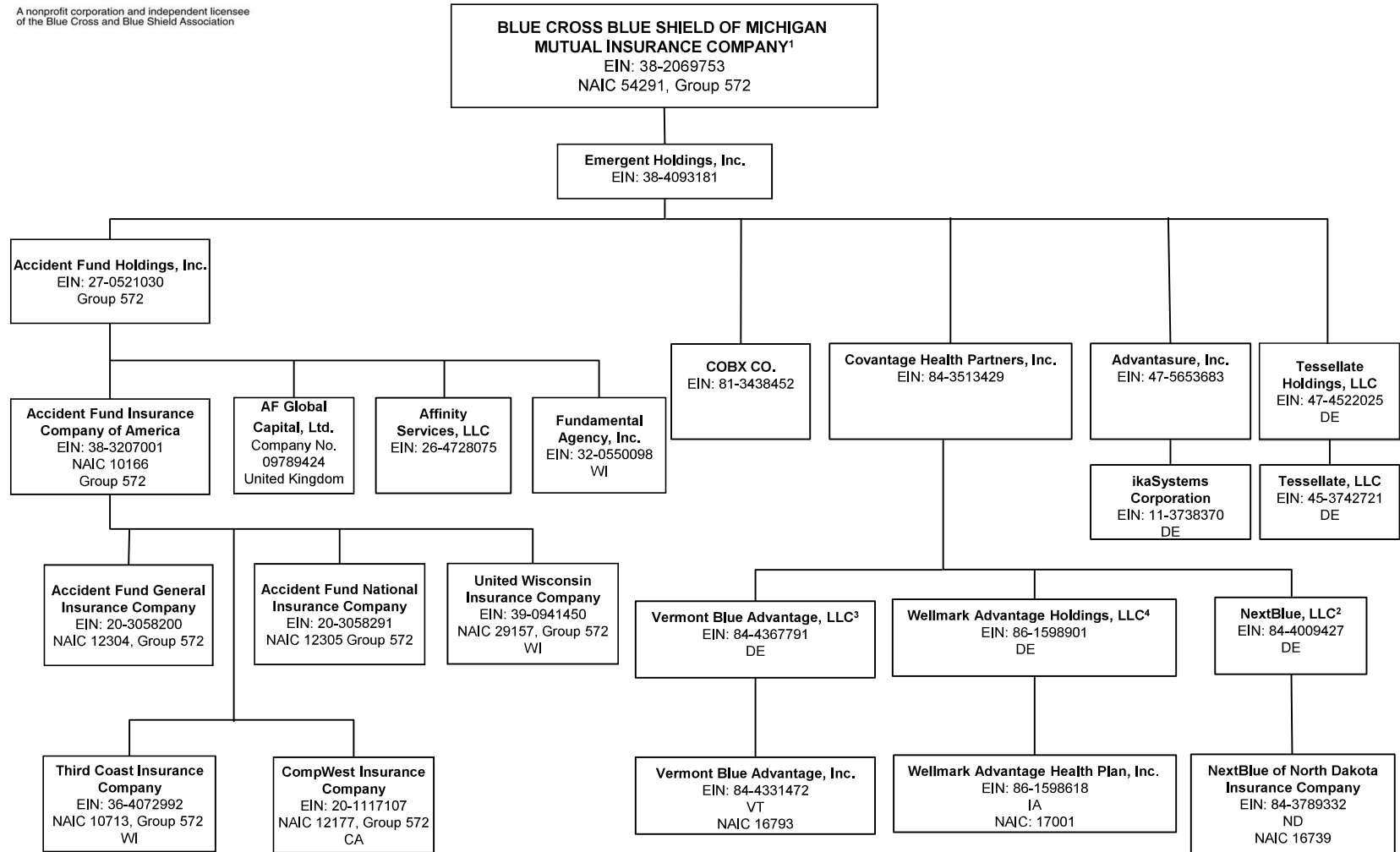
8 Innovate Rx LLC does not have an equity ownership in Civica Outpatient Subsidiary, LLC, which is a non-profit company. However, Innovate Rx LLC does have the right to appoint five managers to Civica Outpatient Subsidiary, LLC's board of managers which can range from 6 to 10 managers.

9 See pg. 5 for additional subsidiaries.

All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.



SUBSIDIARY & AFFILIATE ORGANIZATION CHART



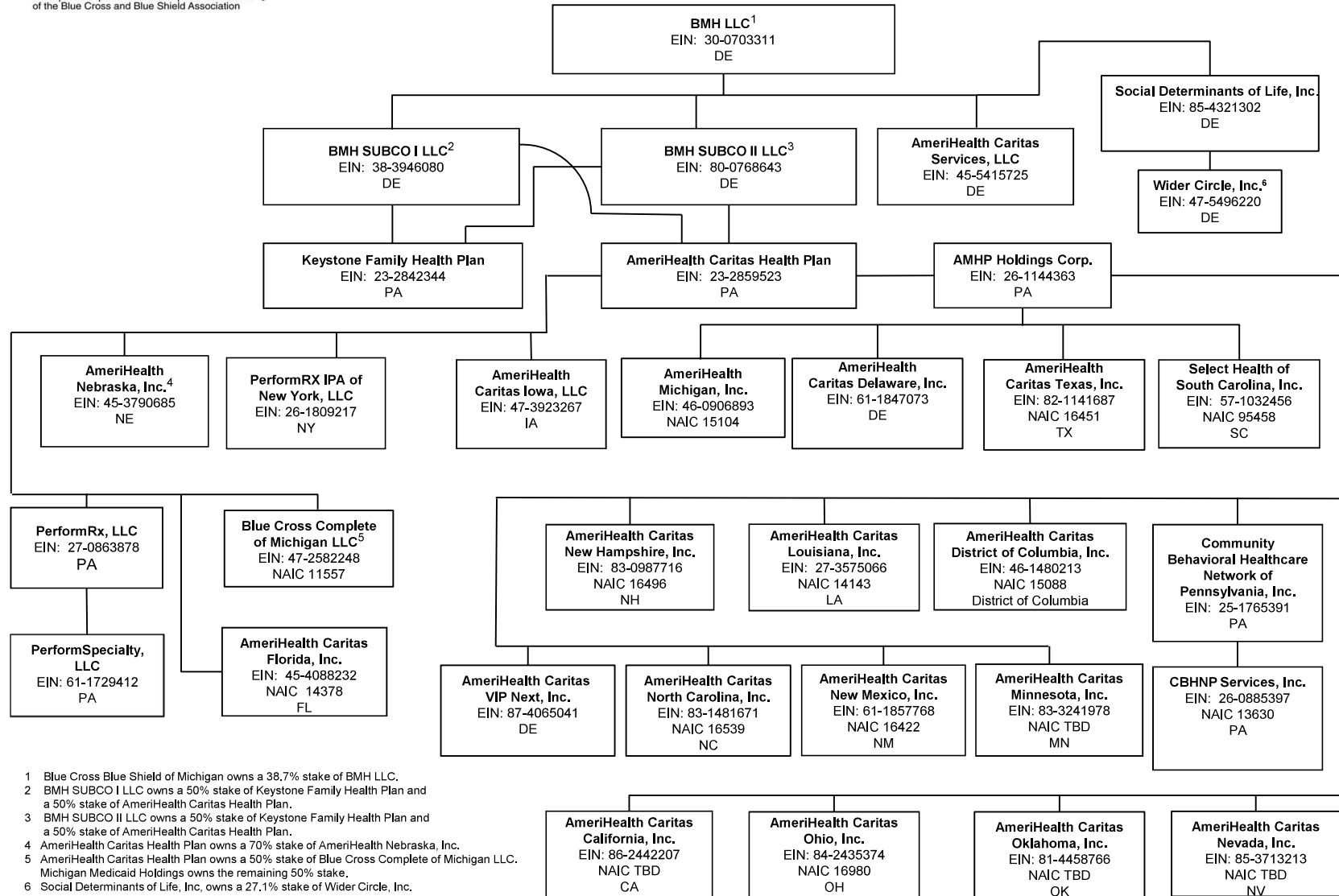
- 1 See page 1 for additional subsidiaries and affiliates.
- 2 Covantage Health Partners, Inc. owns a 51% stake in NextBlue, LLC.
- 3 Covantage Health Partners, Inc. owns a 51% stake in Vermont Blue Advantage LLC.
- 4 Covantage Health Partners, Inc. owns a 51% stake in Wellmark Advantage Holdings, LLC.

All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.



A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

SUBSIDIARY & AFFILIATE ORGANIZATION CHART

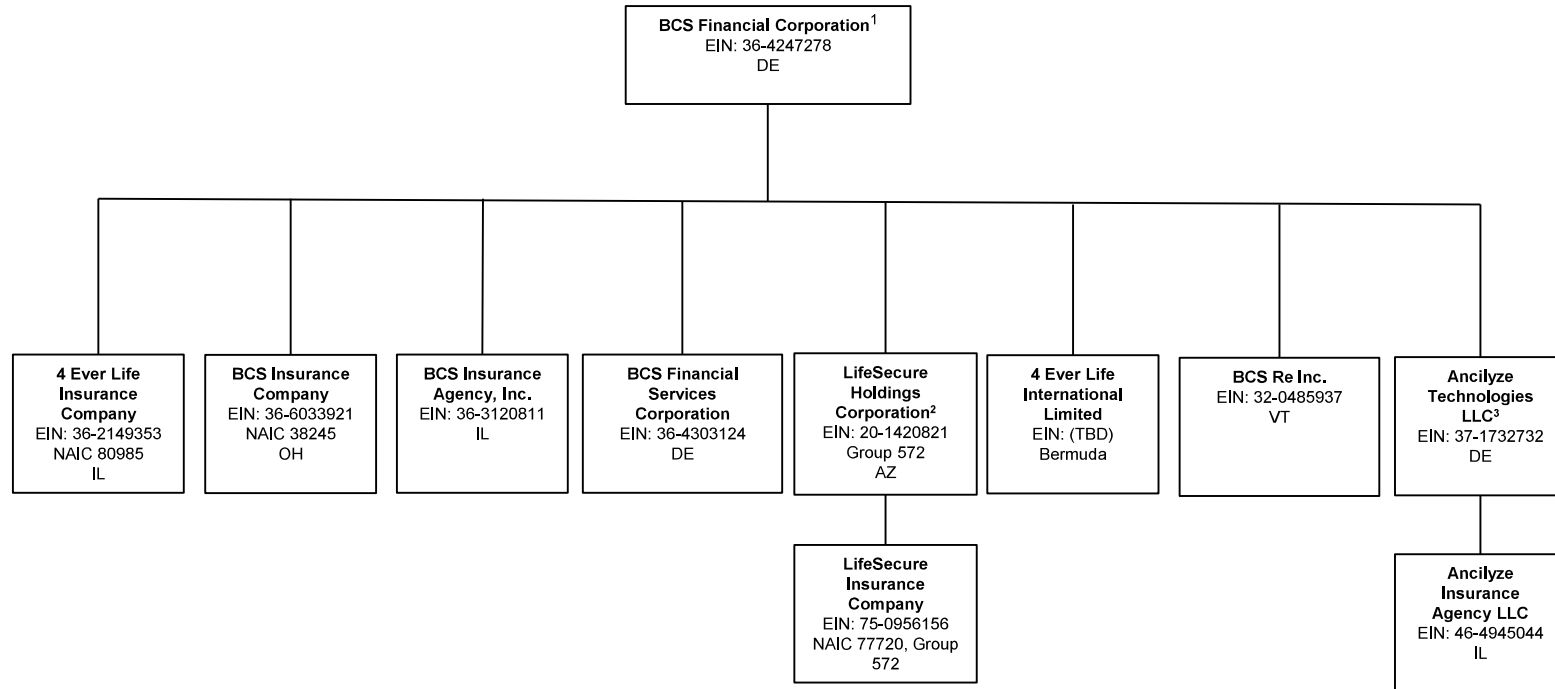


All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.



A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

SUBSIDIARY & AFFILIATE ORGANIZATION CHART

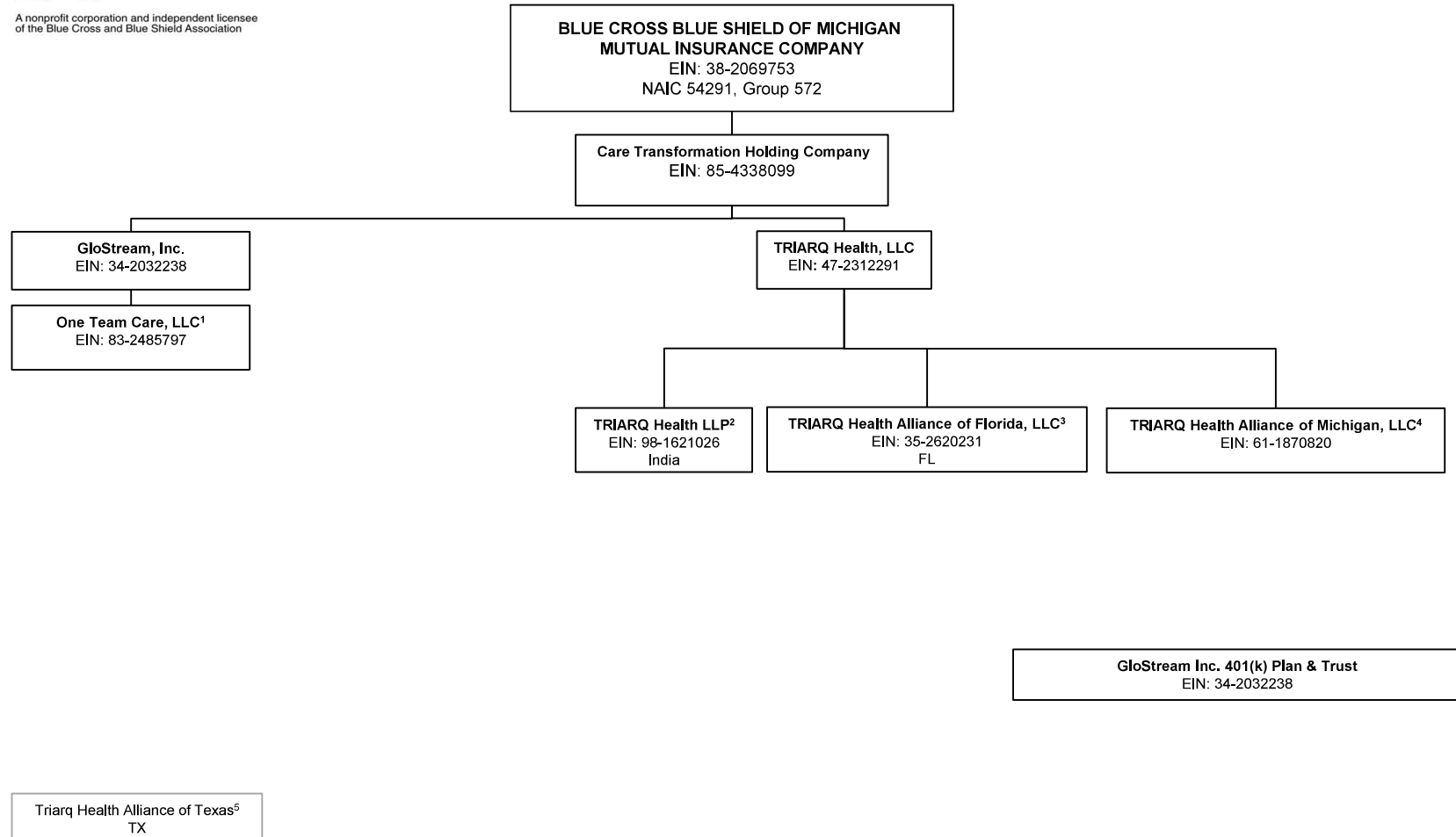


- 1 Blue Cross Blue Shield of Michigan owns 10.1% of BCS Financial Corporation Accident Fund Insurance Company of America owns 3.56% of BCS Financial Corporation.
- 2 BCS Financial owns a 20% stake in LifeSecure Holdings Corporation with the remaining 80% owned by BCBSM.
- 3 BCS Financial Corporation owns 50% of Ancilyze Technologies LLC.

All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.



SUBSIDIARY & AFFILIATE ORGANIZATION CHART



1 GloStream Inc. owns a 50% stake in One Team Care, LLC.
 2 TRIARQ Health, LLC owns a 99.99% stake in TRIARQ Health LLP.
 3 TRIARQ Health, LLC owns a 90% stake in TRIARQ Health Alliance of Florida.
 4 TRIARQ Health, LLC owns a 68% stake in TRIARQ Health Alliance of Michigan.
 5 Entity was never capitalized and will be dissolved.

All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.

NONE